



# VENTURA PORT DISTRICT BOARD OF PORT COMMISSIONERS

Michael Blumenberg, Chair  
Jackie Gardina, Vice-Chair  
Anthony Rainey, Secretary  
Brian Brennan, Commissioner  
Chris Stephens, Commissioner

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

---

## REGULAR MEETING WEDNESDAY, APRIL 19, 2023

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

CLOSED SESSION – 5:30PM  
OPEN SESSION – 7:00PM

### PUBLIC PARTICIPATION OPTIONS

**MEETINGS WILL BE CONDUCTED IN A HYBRID MODEL WITH BOTH IN-PERSON ATTENDANCE AND VIRTUAL PARTICIPATION.**

#### **WATCH THE MEETING LIVE**

<https://us02web.zoom.us/j/83276329300>

Webinar ID: 832 7632 9300

1-669-900-6833

1-253-215-8782

#### **PUBLIC COMMENT VIA ZOOM**

To request to speak on an item, use the “raise hand” button to notify the Clerk. The Clerk will announce public speakers and unmute participants to speak. Please be mindful that the meeting will be recorded, and all rules of procedure and decorum apply for in-person attendees and those participating virtually.

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

To submit written comments on a specific agenda item, please do so via email by 4:00PM on the day of the meeting. 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 1,000 characters in length. Written comments will be distributed to the Commission and will be posted as a supplemental packet on the District’s website at <https://venturaharbor.com/board-meeting-documents/>. Please submit your comment to the Clerk of the Board at [jrauch@venturaharbor.com](mailto:jrauch@venturaharbor.com).

<p style="text-align: center;"><b>CLOSED SESSION</b> <b>5:30PM</b></p>
--

**CALL TO ORDER:** *By Chair Michael Blumenberg.*

**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.*

<p style="text-align: center;"><b>CONVENE IN CLOSED SESSION</b></p>
---

**CLOSED SESSION AGENDA**

**1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - PER GOVERNMENT CODE SECTION 54956.8:**

- a) Property: **1575 Spinnaker Drive #105a & b**  
Negotiating Parties: Brian D. Pendleton, Todd Mitchell, Andy Turner  
Sugar Lab Bake Shop  
Under Negotiation: **Terms of New Retail Lease Agreement**
- b) Property: **1567 Spinnaker Drive #205**  
Negotiating Parties: Brian D. Pendleton, Todd Mitchell, Andy Turner  
Andres S. Fernandez, LLC. dba  
The 805 Bar & Grilled Cheese/The Copa Cubana  
Under Negotiation: **Early Termination of Office Lease Agreement** (Verbal Report)

**2. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION:** (Verbal Report)  
(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: Ventura Port District dba Ventura Harbor Village v. Andres S. Fernandez, LLC  
Ventura County Superior Court Case No. 56-2023-00575927-CL-UD-VTA (Office)

Name of case: Ventura Port District dba Ventura Harbor Village v. Andres S. Fernandez, LLC  
Ventura County Superior Court Case No. 56-2023-00575929-CL-UD-VTA (Restaurant)

**3. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION:** (Verbal Report)  
(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: RDHP Properties vs. Ventura Port District, et al.

Ventura County Superior Court Case No. 56-2020-00546511-CU-WM-VTA

**4. CONFERENCE WITH LABOR NEGOTIATORS PER GOVERNMENT CODE SECTION 54957.6:** (Verbal Report)

Agency Representatives: Michael Blumenberg, Jackie Gardina and Andy Turner, negotiators  
Unrepresented employee: General Manager

**ADJOURNMENT**

**OPEN SESSION**  
**7:00PM**

**CALL TO ORDER:** *By Chair Michael Blumenberg.*

**PLEDGE OF ALLEGIANCE:** *By Chair Michael Blumenberg.*

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

**ADOPTION OF AGENDA**

*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**

*The Minutes of the April 5, 2023 Regular Meetings will be considered for approval.*

**PUBLIC COMMUNICATIONS**

*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.*

**CLOSED SESSION REPORT**

*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**

*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**

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

**ADJOURN AND CONVENE AS BOARD OF DIRECTORS OF THE VENTURA PORT DISTRICT  
PUBLIC FACILITIES CORPORATION**

**BOARD OF DIRECTORS OF THE VENTURA PORT DISTRICT  
PUBLIC FACILITIES CORPORATION MEETING**

**AGENDA**

- I. Call to Order*
- II. Roll Call*
- III. Public Comment*
- IV. Adoption of Resolution No. 130 Approving the Dissolution of the Ventura Port District Public Facilities Corporation*
- V. Adjourn*

## **RECONVENE THE REGULAR MEETING OF THE VENTURA PORT DISTRICT BOARD OF PORT COMMISSIONERS**

### **CONSENT AGENDA:**

*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 Out-of-Town Travel Requests**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve the out-of-town travel requests for:

- a) Sr. Business Operations Manager, Todd Mitchell to attend CMANC Spring Meeting from May 17 to May 19, 2023 in Morro Bay, CA.
- b) Harbor Patrol Officers Brendan Donohue and Taylor Plasch to attend Marine Firefighting Course from April 17 to April 21, 2023 in Marina Del Rey, California
- c) Harbor Patrol Officer Taylor Plasch to attend Water Women Empowerment Weekend from April 22 to 23, 2023 in San Diego, California
- d) Harbormaster, John Higgins to attend the California Harbormaster and Port Captains Conference May 23 to 25, 2023 in Sacramento, California.

### **B) Adoption of Resolution No. 3469 Accepting the Work of Garland/DBS, Inc. for the 1567 Buildings B and C and Building 1591 Reroofing Project**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners adopt Resolution No. 3469:

- a) Accepting the work of Garland/DBS, Inc. for the 1567 Buildings B and C and 1591 Building Reroofing Project; and
- b) Authorize staff to prepare and record a Notice of Completion with the Ventura County Recorder.

### **C) Approval of the 2023 Lifeguard Services Contract**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners authorize the General Manager to enter into a contract with the Department of Parks and Recreation to provide Lifeguard Services from mid-May 2023 through Labor Day 2023 at Harbor Cove and Surfers Knoll beaches in the amount of \$143,362.19.

### **D) Termination of Current Office Lease Agreement with Andres S. Fernandez, LLC dba The 805 Bar & Grilled Cheese and The Copa Cubana for 1567 Spinnaker Drive #205**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve a termination of an Office Lease Agreement, dated June 1, 2022, between the Ventura Port District dba Ventura Harbor Village and Andres S. Fernandez, LLC dba The 805 Bar & Grilled Cheese and The Copa Cubana for 1567 Spinnaker Drive #205, consisting of approximately 290 square feet.

### **E) Approval of New Retail Lease Agreement with Tina O'Brien dba Mermaid Gallery**

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 Tina O'Brien dba Mermaid Gallery for the premises located at 1575 Spinnaker Drive #107B consisting of a total of 652 square feet for a three-year term with one two-year option.



**F) Approval of New Retail Lease Agreement with Anne Trainoff dba Silhouettes by the Beach**

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 Anne Trainoff dba Silhouettes by the Beach for the premises located at 1559 Spinnaker Drive #103 consisting of a total of 400 square feet for a two-year term with one two-year option.

**STANDARD AGENDA:**

**1) Acceptance of Fiscal Year 2021-2022 Audit**

Recommended Action: Voice Vote.

That the Board of Port Commissioners accept the Basic Financial Statements and Supplementary Information with Independent Auditor's Report for the Year Ended June 30, 2022, prepared by Clifton Larson Allen, LLP.

**2) Adoption of Resolution No. 3470 Approving a Notice of Proposed Ordinance for Amendment No. 7 to the existing Parcel 20 Master Lease and an Amendment to the Assignment and Option Agreement between the Ventura Port District and Derecktor Marine Holdings for a new 50-Year Master Lease for Parcel 20**

Recommended Action: Roll Call.

That the Board of Port Commissioners adopt Resolution No. 3470 authorizing the Ventura Port District to publish a Notice of Proposed for Amendment No. 7 to the existing Parcel 20 Master Lease and an Amendment to the Assignment and Option Agreement between the Ventura Port District and Derecktor Marine Holdings for a new 50-Year Master Lease for Parcel 20.

**3) Adoption of Resolution No. 3471 Approving the Updates to the Board of Port Commissioners Protocols and Policies Manual and Rescind Resolution No. 3422**

Recommended Action: Roll Call.

That the Board of Port Commissioners adopt Resolution No. 3471 approving the updates to the Board of Port Commissioners Protocols and Policies Manual and rescind Resolution No. 3422.

**4) Adoption of Resolution No. 3472 Approving the Financial Statements and Checks for October 2022 through December 2022**

Recommended Action: Roll Call.

That the Board of Port Commissioners adopts Resolution No. 3472 to:

- a) Accept the financial statements for the Quarter ending December 31, 2022; and
- b) Review the payroll and regular checks for October through December 2022.

**ADJOURNMENT**

*This agenda was posted on April 14, 2023 by 5:30 p.m. at the Port District Office and online at <https://venturaharbor.com/board-meeting-documents/>*

*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 19, 2023

## APPROVAL OF MINUTES APRIL 5, 2023 REGULAR MEETING

# VENTURA PORT DISTRICT

---

## BOARD OF PORT COMMISSIONERS MINUTES OF APRIL 5, 2023

---



### **CLOSED SESSION**

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

The Ventura Board of Port Commissioners Regular Closed Session Meeting was called to order by Vice-Chair Gardina at 5:30PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom meeting.

#### **ROLL CALL:**

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

Michael Blumenberg, Chair via Zoom  
Jackie Gardina, Vice-Chair  
Anthony Rainey, Secretary arrived at 5:47PM  
Brian Brennan  
Chris Stephens

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

None.

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

Brian Pendleton, General Manager  
Jessica Rauch, Clerk of the Board

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

Andy Turner, Lagerlof Lawyers LLP via Zoom  
Jeremy Shulman, Lagerlof Lawyers LLP via Zoom  
Pablo De Leon, Lagerlof Lawyers LLP via Zoom

##### **Number of interested persons:**

0 via zoom; 0 in-person

**PUBLIC COMMUNICATIONS:** None. Closed at 5:32PM.

**CONVENED TO CLOSED SESSION AT 5:33PM.**

**ADJOURNMENT:** Closed Session was adjourned at 6:59PM.

## **OPEN SESSION**

### **ADMINISTRATIVE AGENDA:**

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

The Ventura Board of Port Commissioners Regular Open Session Meeting was called to order by Vice-Chair Gardina at 7:04PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom meeting.

**PLEDGE OF ALLEGIANCE:** By Commissioner Stephens.

#### **ROLL CALL:**

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

Michael Blumenberg, Chair via Zoom  
Jackie Gardina, Vice-Chair  
Anthony Rainey, Secretary  
Brian Brennan  
Chris Stephens

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

None.

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

Brian Pendleton, General Manager  
Jessica Rauch, Clerk of the Board  
John Higgins, Harbormaster  
Joe Gonzalez, Capital Projects Manager  
Sergio Gonzalez, Facilities Manager  
Gloria Adkins, Accounting Manager via Zoom  
Jessica Snipas, Business Operations Analyst  
Dave Werneburg, Marina Supervisor via Zoom

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

Andy Turner, Lagerlof Lawyers LLP via Zoom

##### **City of Ventura Liaisons**

Councilmember McReynolds, City Council Liaison – Absent

##### **Number of interested persons:**

1 via zoom; 1 in person

## **ADOPTION OF AGENDA**

**ACTION:** Commissioner Stephens moved to adopt the April 5, 2023 agenda.

Commissioner Brennan seconded. The vote was as follows:

**AYES:** Commissioners Blumenberg, Gardina, Rainey, Brennan, Stephens

**NOES:** None

**ABSTAINED: None**

**ABSENT: None**

**Motion carried 5-0.**

#### **APPROVAL OF MINUTES**

The Minutes of the March 15, 2023 Regular Meeting were considered as follows:

**ACTION:** Commissioner Stephens moved to approve of the March 15, 2023 Regular Meeting minutes.

Commissioner Brennan seconded. The vote was as follows:

**AYES: Commissioners Blumenberg, Gardina, Rainey, Brennan, Stephens**

**NOES: None**

**ABSTAINED: None**

**ABSENT: None**

**Motion carried 5-0.**

**PUBLIC COMMUNICATIONS:** Andres Fernandez, owner of The 805 Bar and Grilled Cheese/Copa Cubana commented on pending litigation with the District.

**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 to how to proceed. No action was taken that is reportable under The Brown Act.

**BOARD COMMUNICATIONS:** Commissioner Brennan reported on his trip to Washington DC as a representative of BEACON. Chairman Blumenberg and Commissioner Rainey enjoyed opening day at the Ventura Yacht Club. Commissioner Gardina had lunch at the Village while construction was occurring and understands the effects of noise pollution on tenants.

**STAFF AND GENERAL MANAGER REPORTS:** Mr. Pendleton reported on the many marketing campaigns and Easter activities occurring at the Harbor.

#### **CONSENT AGENDA:**

**A) Approval of Assignment and Assumption of Lease and Consent of Landlord for Ideal Women's Health Specialists, Inc. to Ocean Perinatal Medical Group, Inc.**

Recommended Action: Roll Call.

That the Board of Port Commissioners approve an Assignment and Assumption of Lease and Consent of Landlord between Ideal Women's Health Specialists, Inc. and Ocean Perinatal Medical Group, Inc. for the premises located at 1591 Spinnaker Drive #201, consisting of 746 square feet.

Public Comment: None. Closed at 7:18PM.

**ACTION:** Commissioner Brennan moved to approve an Assignment and Assumption of Lease and Consent of Landlord between Ideal Women's Health

**Specialists, Inc. and Ocean Perinatal Medical Group, Inc. for the premises located at 1591 Spinnaker Drive #201, consisting of 746 square feet.**

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

**AYES: Commissioners Blumenberg, Gardina, Rainey, Brennan, Stephens**  
**NOES: None**  
**ABSTAINED: None**  
**ABSENT: None**

**Motion carried 5-0.**

**B) Approval of Amendment No. 1 to the Restaurant Lease Agreement with MK Enterprises, Inc. dba Margarita Villa**

Recommended Action: Roll Call.

That the Board of Port Commissioners approve Amendment No. 1 to the Restaurant Lease Agreement between the Ventura Port District dba Ventura Harbor Village and MK Enterprises, Inc. dba Margarita Villa for the premises located at 1567 Spinnaker Drive #200, of 1,880 square feet plus 1,100 square feet of patio.

Public Comment: None. Closed at 7:18PM.

**ACTION: Commissioner Brennan moved to approve Amendment No. 1 to the Restaurant Lease Agreement between the Ventura Port District dba Ventura Harbor Village and MK Enterprises, Inc. dba Margarita Villa for the premises located at 1567 Spinnaker Drive #200, of 1,880 square feet plus 1,100 square feet of patio.**

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

**AYES: Commissioners Blumenberg, Gardina, Rainey, Brennan, Stephens**  
**NOES: None**  
**ABSTAINED: None**  
**ABSENT: None**

**Motion carried 5-0.**

**STANDARD AGENDA:**

**1) Presentation on Proposed Sign Concepts for the NW Corner of Harbor Boulevard and Schooner Drive at Parcel 19A**

Recommended Action: Informational.

That the Board of Port Commissioners receive a presentation on proposed sign design concepts for the northwest corner of Harbor Boulevard and Schooner Drive at Parcel 19A.

Presentation by Brian D. Pendleton, General Manager and Jeff Zook, Coastal Architects.

Public Comment: Michael Sondermann, owner of Portside Ventura is very excited and grateful for this proposal. A sense of arrival to Harbor North has been long overdue. Mr. Sondermann likes the direction the signage is going in and suggested holding a small charettes for Master

Tenants to vote on a design. Marlyss Auster, President and CEO, Visit Ventura, provided written comment that was distributed to the Board and posted on the website.

- ACTION:**     **The Board of Port Commissioners received a presentation on proposed sign design concepts for the northwest corner of Harbor Boulevard and Schooner Drive at Parcel 19A. The Commission had the following comments:**
- **Tie in base/concept with existing retaining wall, future Spinnaker entrance remodel, and new wayfinding signage**
  - **Include “Ventura Harbor” along with Harbor North as new “brand” in smaller font**
  - **Keep clean, sophisticated – too much ornate design gets lost**
  - **Like copper – organic/nautical themes**
  - **Concerned the proposed wording may cause confusion with Village identity / location**
  - **Include Master Tenant input on design**
  - **Like wave and compass concepts**
  - **Provide more directional information**

## **2) Presentation on the VenturaWaterPure Ocean Outfall Project**

Recommended Action: Informational.

That the Board of Port Commissioners receive a presentation by the City of Ventura regarding the status of the VenturaWaterPure Ocean Outfall Project.

Presentation by Linda Sumansky, VenturaWaterPure.

Public Comment: Michael Sondermann, owner of Portside Ventura did meet early on with a small team. He would like clarification that the permits being approved are for the entire project including the water purification plant that is essential to this endeavor. He also asked if there will be no discharge in the outfall until the water purification plant is online because he is concerned about the ocean and Channel Islands National Marine Sanctuary. Theresa Petersen, Mobile Home Park Resident, provided written comment that was distributed to the Board and posted on the website.

- ACTION:**     **The Board of Port Commissioners received a presentation by the City of Ventura regarding the status of the VenturaWaterPure Ocean Outfall Project.**

## **3) Determination to End State of Emergency due to the Atmospheric River Rain Events in January 2023**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners determine that there is no longer a need to continue the emergency action adopted by the Board on January 18, 2023, since the emergency conditions have abated, impacts to District assets have been assessed, and all necessary emergency actions are underway or have been completed.

Report by Brian D. Pendleton, General Manager.

Public Comment: None. Closed at 8:43PM.

- ACTION:**     **Commissioner Stephens moved to determine that there is no longer a need to continue the emergency action adopted by the Board on January 18, 2023,**

**since the emergency conditions have abated, impacts to District assets have been assessed, and all necessary emergency actions are underway or have been completed.**

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

**AYES: Commissioners Blumenberg, Gardina, Rainey, Brennan, Stephens**

**NOES: None**

**ABSTAINED: None**

**ABSENT: None**

**Motion carried 5-0.**

**ADJOURNMENT:** The meeting was adjourned at 8:44PM.

The next regular meeting is Wednesday, April 19, 2023.

---

Anthony Rainey, Secretary





# BOARD OF PORT COMMISSIONERS APRIL 19, 2023

## DEPARTMENTAL STAFF REPORTS MARCH 2023 & GUIDING PRINCIPLES FIVE-YEAR OBJECTIVES INDEX

GUIDING PRINCIPLES	
1)	Maintain a safe, navigable, and resilient harbor.
2)	Advance the harbor's vibrant, working waterfront in support of commercial and recreational fishing and boating.
3)	Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
4)	Establish and implement harbor-wide environmental sustainability policies and practices through collaboration with our business partners.
5)	Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
6)	Provide exceptional public service and organizational transparency.
7)	Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.
8)	Support the Channel Islands National Park in its efforts to provide a first-class visitor center, educational resources, and ferry boat services to the islands.

5-YEAR OBJECTIVES		STRATEGY	
D)	Ensure dredging occurs annually 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)	On-going leadership and 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)	Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.	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
		4)	Updates to District policies to reflect improved transparency and DEI
F)	Support current and future commercial fishing and sustainable aquaculture industries. Maintain and improve working waterfront facilities and infrastructure.	1)	Engage with commercial fishing and sustainable aquaculture interests in Ventura Harbor
		2)	Continue improvements of District's Working Waterfront infrastructure
		3)	Continue to pursue opportunities for diversifying commercial fishing and sustainable aquaculture
M)	Collaborate with Master Tenants and National Park Service to plan, improve, and develop the Harbor in a financially and environmentally sustainable way.	1)	Engagement and support of Master Tenants for successful business operations at the Harbor
		2)	Evaluate opportunities for Parcel Development
		3)	Implement sustainability technologies at the Harbor
		4)	VenturaWaterPure
N)	Maintain and grow Channel Islands National Park Service (NPS) presence and customer visitation to the Harbor.	1)	Work with NPS and harbor visitors regarding enhancement of visitor experience.
		2)	Coordinate with NPS Superintendent to evaluate long-term goals and improvement needs for the Channel Islands National Park Visitor Center
		3)	Coordinate with National & California State Parks, and City to develop destination-based ecotourism offerings
P)	Implement parking management, traffic circulation, and multi-modal transportation strategies.	1)	Work with City to improve access between the City and Harbor
		2)	Evaluate alternative and active methods for people to travel to and within the Harbor and pursue needed improvements and strategies in partnership with the City
		3)	Pursue and implement parking management solutions to increase vehicle circulation
R)	Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.	1)	Utilize grant funding opportunities for sustainable Harbor infrastructure
		2)	Seek additional grant funding for improving/replacing District capital assets.
		3)	Leasing/Property Management
		4)	Update of Financial Management System
		5)	Financial Reporting
V)	Maintain and improve Harbor Village facilities, infrastructure, and amenities.	1)	Ongoing investment in Harbor Village Infrastructure
		2)	Develop and implement an Annual Visitation Plan for Ventura Harbor Village.

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

Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: Todd Mitchell, Sr. Business Operations Manager  
Joe A. Gonzalez, Capital Projects Manager  
SUBJECT: March 2023 Capital Projects Report

**ADA RESTROOMS UPGRADES 1567, 1575, 1691**

**Status: On Going**

**Budget: Over budget (Partially grant funded)**

Tomar Construction (Tomar) broke ground on the 1567 and 1575 restrooms on January 2<sup>nd</sup>. The 1691 restrooms (Island Packers) broke ground the third week of January. Six portable restrooms including one ADA portable restroom have been set in place adjacent to the 1691 building to accommodate Island Packers' guests.

Staff has continued working closely with all neighboring tenants near the work sites. Tomar continues making good progress:

- All drywall has been installed in all three locations.
- All wall tile has been installed in all three locations.
- All walls and ceiling have been primed and painted.
- All fixtures have been installed in 1567 facility and have started on 1575,1691 locations.



Part of this project also includes replacing the inner courtyard walkway located across from the 1575 restrooms entrance. This phase of the project was scheduled and completed on the last week of March. Staff and tenants are pleased with the outcome.





## Restroom locations



### Ventura Harbor Village: 2022 ADA Upgrade Restroom Remodel Projects

- 1** 1691 Spinnaker Drive: single-user restroom: 50 sf
- 2** 1575 Spinnaker Drive: women's restroom: 427 sf
- 3** 1575 Spinnaker Drive: men's restroom: 350 sf
- 4** 1567 Spinnaker Drive: women's restroom: 178 sf
- 5** 1567 Spinnaker Drive: men's restroom: 178 sf

### 1567 SPINNAKER DR. SUITE 101, FACADE RENOVATION

**Status: On Going**

**Budget: On Budget**

The contractor has finished installing all windows and doors, including the bi-fold doors. VPD consultants reviewed and approved all materials prior to the installation.



The City inspectors approved the installation and waterproofing for exterior stucco application. The stucco has been applied to the exterior of the premises. All inspections from the stucco applications have gone through City inspection and have been approved. The contractor is waiting for the last two pallets of the exterior stone veneer to start installation. Staff wants to make sure it's the same batch for consistency. The stone veneer was reviewed and approved by staff and VPD's consultants prior to ordering.



## NEW TRASH ENCLOSURES 1559 AND 1691

**Status:** On going

**Budget:** On budget (Grant funded)

Carjul Engineering broke ground on December 1<sup>st</sup> and agreed with staff to only work at the 1691 location to accommodate scheduled events and high visitation by the public over the holidays. Unfortunately, the weather conditions have since delayed the project. The contractor has worked to make up time and the project continues to stay within budget. City inspectors and District's consultants have approved all steps to date. Both trash enclosures have been constructed, primed, and painted. The custom iron entry gates have been delivered, installed, and painted. The stainless-steel mesh is on backorder. The contractor has started the demolition of the 1583 and 1575 existing trash enclosures while waiting on the stainless-steel bird mesh. The trash enclosure between 1449 and 1559 will remain in service until the new enclosures are in service and then will also be removed.



## 1567 BUILDING B RE-ROOFING PROJECT

**Status:** Ongoing

**Budget:** On Budget

The start of 1567 building B's (Surf n Taco/Pottery Gallery building) reroofing was delayed until after summer to accommodate the high summer foot traffic and business activity. The project began December 19<sup>th</sup>. The contractor has completed all waterproofing and continues to work on all finishing touches. Staff anticipates this project to be 100% completed by mid-April.



## ADDITIONAL PROJECTS

- 1603 Administration Emergency Generator
- Harbor Cove beach parking light project
- 1559 Suite 205 Tenant Improvements
- 1567 Building A Equipment roof waterproofing
- 1567 Suite 200 exterior patio waterproofing
- 1431 NPS Fire alarm system Installation
- 1431 Dockmaster's office TI's
- VPD EV charging units installation

Status: On going

Status: Completed

Status: Working with Staff/Architects

Status: On going

Status: On going

Status: On going

Status: On going

Status: Waiting on EV Units delivery

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

Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Sr. Business Operations Manager  
SUBJECT: March 2023 Dredging Report

---

**POLITICAL ACTIVITIES**

**2024 Dredging Funding**

At the March CMANC meeting, Chair Blumenberg and Mr. Mitchell met with Congressman Salud Carbajal and his Legislative Director, Johanna Montiel. Congressman Carbajal began his fourth term as a Congressional Representative for the redrawn 24<sup>th</sup> District. The discussion was a follow up to the January visit but also to discuss the need for full inclusion of Ventura Harbor in the upcoming FY24 President's Budget (PBUD). The Congressman offered to make a follow up phone call to Shalanda Young, Director of the White House Office of Management and Budget (OMB) in the coming days to remind them of his request.

Blumenberg and Mitchell were also able to articulate this need directly to OMB Water & Power Branch staff during a CMANC virtual meeting the following day.

The PBUD was released on March 9<sup>th</sup> and the Ventura Harbor entrance channel dredging was included in the amount of \$8.471 million – the highest amount ever. This amount is anticipated to cover:

1. 2024 dredging, which will be slightly higher due to some sand remaining in the sand trap
2. An update to the Environmental Impact Statement (required every six years)
3. Soliciting for dredging prior to 2025.

Letters of support for the budget amount will be sent from Carbajal, Feinstein, and Padilla to ensure the funding amount stays in the budget.

The District has been very fortunate in the support it has received from our representatives and is in an excellent position for 2024.

**2025 Dredging Funding**

The Corps is expected to provide their recommendations on funding to OMB in late summer/early fall. The District has re-engaged the local Corps Los Angeles District to discuss an appropriate funding amount for FY25 with the intention of discussion during the upcoming dredging program.

**OUTER HARBOR DREDGING**

A pre-dredge survey was performed by Manson on February 8<sup>th</sup>, determining that the total volume in the harbor entrance and sand trap was 654,000 cubic yards, of which between 525,000 and 550,000 can be dredged. However, the initial contract awarded by the Corps was for only 350,000 cubic yards. As the project has sufficient funding to dredge at least 450,000 cubic yards, the District requested that additional volume be added by change order.

Dredging mobilization commenced on March 1<sup>st</sup>, however the dredge itself had to undergo repairs prior to its arrival and start on March 11<sup>th</sup>. Dredging progress was excellent and the Corps awarded an additional 125,000 cubic yards for a total of 475,000 cubic yards. Dredging concluded on March 25<sup>th</sup>.

Ventura Harbor beaches, which suffered significant erosion during the January atmospheric river storms, have been significantly renourished and are in excellent condition for the summer.

Staff were able to participate in a televised news story on the successful dredging as well as a local news story in the Ventura Breeze:

<https://abc7.com/ventura-harbor-beach-erosion-dredging-protecting-beaches-port-district/13037413/>

<https://venturabreeze.com/2023/04/05/ventura-port-district-maintenance-dredging-and-beach-renourishment/>

### **INNER HARBOR DREDGING**

#### **Permit Amendments (Long-Term)**

District staff and Rincon Consultants (Rincon) have been working on renewals and amendments to the inner harbor dredging permits with the Corps and the Los Angeles Regional Water Quality Control Board for over two years.

The Corps and Water Board are both expected to issue new permits in early April.

On February 22<sup>nd</sup>, Rincon submitted a Coastal Development Permit application to the California Coastal Commission to mirror the updated Corps and Water Board permits. The Coastal Commission has responded with a number of additional questions and comments to which the District and Rincon are preparing a response. The current Coastal Development Permit does not expire until 2026, so this effort is less time sensitive.

### **ATTACHMENT:**

Attachment 1 – March 2023 Federal Advocacy Reports by Carpi & Clay



## Federal Update

April 3, 2023

### President Biden Releases FY24 Budget Proposal

On March 9<sup>th</sup>, President Biden released his fiscal year 2024 (FY24) budget proposal. Overall, the President's budget proposal calls for a 3.3% increase in defense spending (increase of \$28 billion from current levels) and a 6.5% increase for nondefense discretionary programs (increase of \$49.2 billion from current levels). The President's FY24 budget proposal can be found [HERE](#), and a fact sheet can be found [HERE](#). **Notably for Ventura Harbor, the budget proposal for the US Army Corps of Engineers provides \$8.471M for annual operation and maintenance dredging.**

The chart below provides a comparison between FY23 enacted levels and FY24 President's budget proposal request for federal agencies and departments.

<u>Agency/Department</u>	<u>FY 2024 President's Budget Request (in billions)</u>	<u>FY23 Enacted Levels (in billions)</u>
Agriculture	\$30.1	\$26.3
US Army Corps of Engineers	\$7.4	\$8.3
Commerce	\$12.3	\$11.0
Defense	\$842.0	\$816.0
Education	\$90.0	\$79.2
Energy	\$52.0	\$45.8
Environmental Protection Agency	\$12.0	\$10.1
Health & Human Services	\$144.3	\$128.9
Homeland Security	\$60.4	\$61.0
Housing & Urban Development	\$73.3	\$72.2
Interior	\$18.3	\$17.2
Justice	\$39.7	\$37.5
Labor	\$15.1	\$13.6
State	\$63.1	\$58.1
Transportation	\$27.8	\$26.0
Treasury	\$16.3	\$14.2
Veterans' Affairs	\$137.9	\$134.9

With the budget proposal released, Congress has moved forward with soliciting project and programmatic requests as well as holding hearings to examine the President's budget proposal. Those hearings will continue in mid-April when Congress returns from a two-week spring recess.

### **Congress Acts on WOTUS Rule**

In early March, the House passed a joint resolution of disapproval ([H.J. Res 27](#)) under the Congressional Review Act (CRA) of the Biden Administration's Waters of the United States (WOTUS) rule. On March 29<sup>th</sup>, the Senate passed its own joint resolution of disapproval ([S.J. Res 7](#)). The CRA would prevent EPA and the US Army Corps of Engineers (USACE) from adopting a similar rule in the future. President Biden has committed to vetoing any resolution of disapproval on the WOTUS rule. Additionally, a federal judge in Texas issued an injunction for the new WOTUS rule in Texas and Idaho until the Supreme Court issues a decision in the upcoming *Sackett v. EPA* case. While the rule is now in effect in all other states, Texas and Idaho are subject to 1986 WOTUS regulations until the Supreme Court issues its opinion.

### **EPA Releases PFAS Proposed Rule**

The Environmental Protection Agency (EPA) announced a proposed National Primary Drinking Water Regulation rule for six different Per- and Polyfluoroalkyl Substances (PFAS). The proposed rule would establish legally enforceable Maximum Contaminant Levels (MCLs) for six PFAS in drinking water. PFOA and PFOS are individual contaminants, and PFHxS, PFNA, PFBS, and HFPO-DA are PFAS mixtures. EPA also proposes health-based, non-enforceable Maximum Contaminant Level Goals (MCLGs) for these six PFAS. Comments on are due by May 30<sup>th</sup>. EPA is also hosting a public hearing on May 4<sup>th</sup> at 11:00 am ET for industry stakeholders and the public to provide verbal comments. Registration for the public hearing can be found [HERE](#). More information on the proposed rule can be found [HERE](#).

### **FHWA Publishes EV Charging and Fueling Infrastructure Grant NOFO**

The Federal Highway Administration (FHWA) published a notice of funding opportunity (NOFO) for the availability of \$700 million in the Charging and Fueling Infrastructure Discretionary Grant program. The funding is available to assist in deploying electric vehicle (EV) charging and other alternative vehicle-fueling infrastructure projects in publicly accessible locations in urban and rural communities and along Alternative Fuel Corridors. This funding opportunity is provided through the Bipartisan Infrastructure Law. Applications are due by May 30<sup>th</sup> and more information can be found [HERE](#).

### **DOT Announces SMART Grant Awards**

The Department of Transportation (DOT) awarded \$94 million for 59 projects nationwide through the Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program. The SMART program was established in the Bipartisan Infrastructure Law to provide grants to eligible public sector agencies to conduct demonstration projects focused

on advanced smart community technologies and systems to improve transportation efficiency and safety. A full list of awards can be found [HERE](#).

## Congressional Letters

**California Members Urge FEMA to Extend Storm Assistance Deadline.** California Rep. Jimmy Panetta (D) led a bipartisan letter signed by 25 fellow California delegation members urging the Federal Emergency Management Agency (FEMA) to extend the March 16<sup>th</sup> deadline to apply for storm assistance following recent severe weather events compounding the damage from storms in January. The letter states that damages are estimated to exceed \$1 billion, and residents are struggling to recover the documents necessary to apply for assistance. The letter can be found [HERE](#).

**California Congressional Delegation Urges President Biden to Issue Major Disaster Declaration for California.** Sens. Feinstein and Alex Padilla joined all 52 House Members of the California delegation in a letter to President Biden urging him to approve California's request for a major disaster declaration following another round of severe winter storms that began in February. Earlier this year, the full delegation penned a similar letter for storms that occurred in December and January. The letter says that "response and recovery efforts have now been pushed to the limit" following the recent severe weather events and that a major disaster declaration would provide additional federal resources to support those efforts. The letter can be found [HERE](#).

## Federal Funding Opportunities & Announcements

**EDA Releases \$30 Million Public Works and Economic Adjustment Assistance NOFO.** The Economic Development Administration (EDA) released a \$30 million NOFO for the FY23 Public Works and Economic Adjustment Assistance program. The program supports the construction and upgrading of public infrastructure, sectoral partnerships for workforce training, design and engineering assistance, technical assistance, economic recovery strategies, and capitalization or re-capitalization of revolving loan funds. Applications are accepted on a rolling basis and more information can be found [HERE](#).

**EPA Announces Availability of \$16 Million for Two EJ P2 Grants.** EPA announced the availability of \$16 million in Pollution Prevention (P2) Grants focused on environmental justice (EJ).

- **P2 Grant: EJ in Communities (\$8 million):** This grant provides technical assistance to businesses on pollution prevention that improves health and environmental conditions in disadvantaged communities. Applications are due by June 6<sup>th</sup> and more information can be found [HERE](#).
- **P2 Grant: EJ Through Safer and More Sustainable Products (\$8 million):** This grant program provides technical assistance to businesses to improve health and the environment in disadvantaged communities by increasing the supply, demand, and

use of safer and sustainable products. Applications are due by June 20<sup>th</sup> and more information can be found [HERE](#).

**FEMA Releases Updated Hazard Mitigation Assistance Guide.** FEMA released an updated Hazard Mitigation Assistance Program and Policy Guide to improve stakeholder accessibility to resilience grant programs. The guide is for state, local, tribal, and territorial governments to use throughout the Hazard Mitigation Assistance grant lifecycle process. Updates include information on climate change, building codes, capability and capacity building, nature-based solutions, and community lifelines. The guide can be found [HERE](#).

**Reclamation Announces \$30 Million WaterSMART Program NOFO.** The Bureau of Reclamation (Reclamation) announced the availability of \$30 million in BIL funding for FY23 WaterSMART Aquatic Ecosystem Restoration Projects. The funding will support the study, design, and construction of ecosystem restoration projects that improve fisheries, wildlife, and aquatic habitats. Applications are due by June 1<sup>st</sup> and more information can be found [HERE](#).

## Federal Agency Personnel & Regulatory Announcements

**White House Releases New Climate Tools and Reports.** The White House released five new climate adaptation and mitigation tools for government agencies.

- **Federal Flood Risk Management Standard Climate-Informed Approach State of the Science Report.** This report provides updates about current and future flood risks. The report can be found [HERE](#).
- **Selecting Climate Information to Use in Climate Risk and Impact Assessment: Guide for Federal Agency Climate Adaption Planners.** This guide provides information to advance federal climate adaptation plans. The guide can be found [HERE](#).
- **A Federal Framework and Action Plan for Climate Services.** This plan aims to increase the accessibility of federal climate information and tools to communities. The plan can be found [HERE](#).
- **Resilience Science and Technology Grand Pathways Framework.** This framework provides resilience information and resources related to natural disasters and infrastructure. The framework can be found [HERE](#).
- **Ocean Climate Action Plan.** This plan aims to find ocean-based solutions to climate change. The plan can be found [HERE](#).

**CEQ Announces New EJ Staff.** The Council on Environmental Quality (CEQ) announced five new staff members covering EJ issues. Corey Solow will serve as a Senior Adviser to CEQ Chair Brenda Mallory, Amanda Patel will serve as Special Assistant for EJ, Ryan Hathaway

will serve as Director of the White House EJ Interagency Council, and Marccus Hendricks will serve as Senior Adviser for Climate and Community Resilience. Additionally, Nick Thorpe will join CEQ as an EJ Policy Adviser in the coming weeks.

**DOT Sends Letter to House Appropriations in Response to Proposed Budget Cuts.** DOT sent a letter to House Appropriations Ranking Member Rosa DeLauro outlining the impacts a proposed plan to cap discretionary spending at FY 2022 enacted levels would have on DOT, its agencies, and programs. The letter can be found [HERE](#).

**EPA Releases Clean Energy Financing Toolkit.** EPA released its Clean Energy Financing Toolkit, providing profiles of roughly a dozen types of clean energy financing available to state and local governments. The tool provides a range of financing programs across multiple sectors, view example programs, and access additional information from EPA. The tool can be found [HERE](#).

**IRS Announce Tax Filing Extension for Residents of 44 California Counties Under FEMA Emergency Declaration.** The Internal Revenue Service (IRS) announced that residents of the 44 counties currently under a FEMA emergency declaration related to the recent severe storms will have until October 16<sup>th</sup> to file federal tax returns. The deadline automatically applies to residents in any of the FEMA designated counties, and businesses that owe interim taxes, quarterly payroll taxes, and excise taxes may also take advantage of the deadline extension. More information from the IRS can be found [HERE](#).

**USACE Publishes Definition of Economically Disadvantaged Community.** USACE published its definition of an economically disadvantaged community. USACE was directed to issue the definition by the 2020 Water Resources Development Act and can now begin issuing guidance on pilot programs that focus on economically disadvantaged communities. The definition can be found [HERE](#).

##    ##    ##



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

Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: Todd Mitchell, Sr. Business Operations Manager  
Sergio Gonzalez, Facilities Manager  
SUBJECT: March 2023 Facilities Report

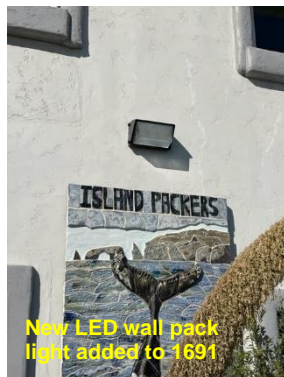
**MAINTENANCE ACTIVITIES**

**VHV 1691 LIGHTING IMPROVEMENTS AND UPGRADES**

**Status: Completed**

**Budget: Budgeted (Building Maintenance)**

We added a LED wall pack light on the south side of the VHV 1691 building to improve night lighting. We also upgraded the as-built non efficient can lights under the west facing eve with new high efficiency LED flush mounted fixtures.



**VHV 1559 BUILDING RAIN GUTTERS INSTALL**

**Status: COMPLETED**

**Budget: Budgeted (Building Maintenance)**

New copper rain gutters were installed by contractor at VHV 1559 building. Rain gutters were added to provide protection above Brophy's front entrance, main courtyard, and restroom's hallway entrances.

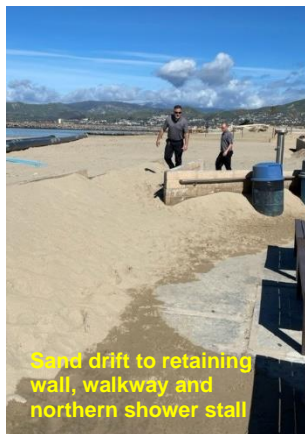
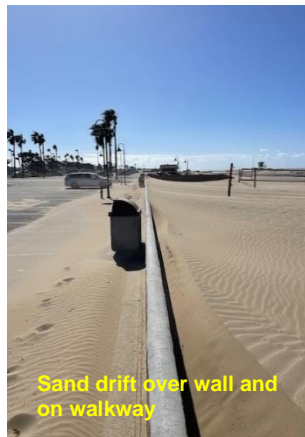


## HARBOR COVE BEACH SANDSTORM CLEANUP / BEACH REPLINISHMENT

**Status: Completed**

**Budget: Over Budget (Grounds Maintenance)**

In late February, the Harbor was impacted by a very significant windstorm. Wind gusts over 50 mph caused sand to drift to and over the retaining walls and on to the walkways, outdoor showers, and parking lot at Harbor Cove Beach. In house efforts were performed and completed to remove the sand from pedestrian walkways and paths of travel. A contractor was sourced to replenish the beach by relocating the sand away from the retaining walls.

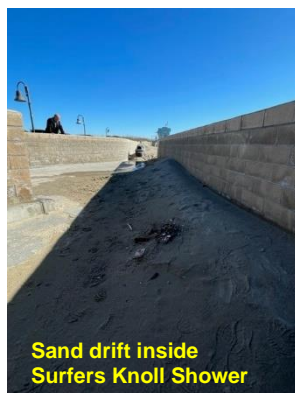


## SURFERS KNOLL BEACH SANDSTORM CLEANUP / BEACH REPLINISHMENT

**Status: Completed**

**Budget: Over Budget (Grounds Maintenance)**

Similarly, at Surfers Knoll, in-house work was performed to remove the sand from the parking lot, outdoor showers, pedestrian walkways, and paths of travel. A contractor was sourced to replenish the beach by relocating the sand away from the retaining walls.

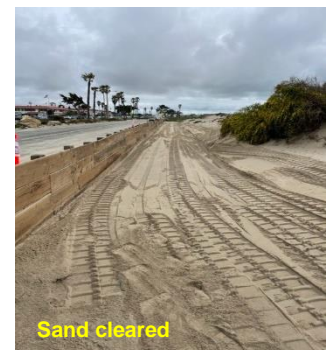
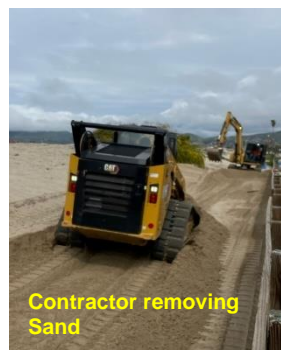
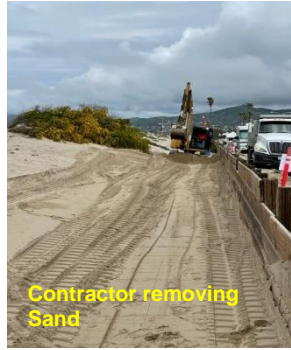


## **SPINNAKER DRIVE WOODEN FENCE SAND REMOVAL**

**Status: Completed**

**Budget: Over Budget (Grounds Maintenance)**

Contractor was sourced to remove sand encroaching on and over the wooden fence along Spinnaker Drive connecting Surfers Knoll Beach to Harbor Cove Beach. Sand removed was used to replenish Surfers Knoll Beach.



## **FACILITIES:**

Staff continues to perform everyday maintenance and on the spot repairs throughout Ventura Harbor Village, other District properties, equipment, vehicles, and vessels. Also assists other Departments on special projects.



**VENTURA PORT DISTRICT  
DEPARTMENTAL STAFF REPORT**

Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: John Higgins, Harbormaster  
Pat Hummer, Senior Patrol Officer  
SUBJECT: March 2023 Harbor Patrol Report

---

**PUBLIC SAFETY**

**Overview:**

This has been a busy winter concerning the weather. Dealing with the different elements kept staff busy. One area requiring attention was dewatering unattended vessels throughout the Marinas and Keys. If left unattended, the vessels would create pollution concerns and ultimately sink. Our staff does dewatering, which usually takes 15-20 minutes per boat. The preventive action undoubtedly prevented numerous issues.



Lobster season creates many challenges for boaters, which ended last month. Throughout the season, Patrol removed errant commercial traps, recovered ones near the surf, and monitored the recreational hoop netters. Harbor Patrol staff performed numerous safety contacts and worked with California Fish and Wildlife to ensure compliance during the season. Removing commercial traps outside the entrance will help us better deal with the spring and summer boating traffic.

Dredging was uneventful as far as boating safety. There were no significant issues or complaints. The dredge equipment did move some of the navigational buoys off station. Harbor Patrol will work with the US Coast Guard to get them back on station.

**BEACHES**

**Harbor Cove:**

The beach at Harbor Cove is clear of all dredge equipment and the sand looks clean and groomed, ready for the spring and summer crowds.

The Harbormaster was able to solicit assistance from Manson heavy equipment operators to move some of the sand away from the wall and showers at no cost to the Port District. This helped in the short term and then allowed for the contractor to come in later and do the more focused beach access improvements.

**South Beach:**

The timing of the dredge could not have been better. The historic erosion due to the numerous strong winter storms caused significant damage to the dune system. Manson was able to re-establish a base, but it will take several more dredging cycles before we can properly reinforce and re-establish this dune area.

The Harbormaster is now working with State Parks to plan the deployment of the Lifeguard towers and establish seasonal coverage. With many of the beaches in Ventura County suffering from erosion, once again Ventura Harbors South Beach may become even more of an attraction.

**BOAT REPLACEMENT UPDATE**

The Harbormaster has continued the research and planning for a new vessel. After much thought, with the support of General Manager and Sr. Operations Manager, we are looking at purchasing a Fireboat with similar rescue/patrol capabilities. This would provide enhanced coverage within the Harbor while ensuring there would be capabilities should one boat be out of service. Research has identified boat costs are significantly more expensive than the last boat purchased 8 years

ago. To keep to our current practices, we are exploring grant monies, as well as partnerships to support the purchase and upkeep of the vessel. The vendor, vessel size, and specifications have not been identified. Once we have developed the funding sources, we can proceed with the engineering and bidding process.

I contacted Orange County California State Parks Superintendent about the surplus boat status. The Superintendent reported that the new boats have been further delayed. The original contract required them to be delivered by last December. The vendor has pushed it back to early or late summer. Until the new boats are delivered, the older surplus boats cannot be released as they are still in service daily.

### **UNIQUE OR COMPLEX CALLS/RESCUES**

The Patrol was involved in many incidents in March. These are a few of the major ones.

On one evening shift on March 5<sup>th</sup>, Patrol Officers Bobby Crane and Erik Bear were involved in two cases where CPR was performed: one being a 31-year-old female drowning victim at Pierpont Beach and the other a 1-month-old infant at Portside apartments. In both cases, the patients did not survive. The Port District provided staff information on wellness and support services offered for free. Both were invited to a Critical Incident Stress Debriefing held by California State Parks and the Ventura City Fire Department's Peer Support program.

On the morning of March 24<sup>th</sup>, Patrol responded in Fireboat 1 to a boat fire in Channel Islands Harbor after receiving a request from the Oxnard Fire Department due to the County Fireboat being inoperable. Ventura Harbor Patrol Officers Ryan Sutherland, Mason Alford, and Garret Winter responded to the scene finding an 80ft yacht fully engulfed in fire. These officers were later recognized in a letter written by an Oxnard Fire Captain for their "Exceptional performance on this incident", the patrol directed their water stream into the burning vessel with the "precision of a surgeon using a scalpel" attempting to extinguish the fire. The vessel later unfortunately sunk.

### **TRAINING**

On March 18<sup>th</sup>, the Harbormaster and National Weather Service provided a Weather Talk to the Hokuloa Outrigger club at the Port District Conference Room. NWS staff spoke to weather forecasting and their services at the Oxnard office. The Harbormaster discussed using different weather products to better plan and prepare for storms. The club members asked numerous questions and were thankful for the information to help them operate safer on the water as individuals and as part of a team.

On March 22<sup>nd</sup>, the Harbormaster participated in the California Boating Safety Officers Association conference in Santa Barbara. During the day's event, he could speak with numerous boat vendors and strengthen connections with boating safety personnel from other agencies.

On March 23<sup>rd</sup>, the Harbormaster participated in a FEMA Tsunami Awareness and Planning event in the Port of Long Beach. Having had experience with multiple events, he was able to share with the other locations some of the challenges they may experience during a larger event. Attendees were from Cities and Counties throughout California. The course completion resulted in a certification from FEMA.

Harbor Patrol Officers Brendan Donohue, Taylor Plasch, and Garret Winter were able to attend the California Division of Boating "Rescue Boat Handling Class". Approved by the Board, this course provided 40 hours of on-the-water and classroom training. The focus was on rescue as well as operating in adverse conditions. The class was well received, and each of the HPO Officers was appreciative for the opportunity to attend.

Harbor Patrol Officers Mason Alford, Brendan Donohue, Taylor Plasch, and Garret Winter have started a US Captains License class. The class allows for self-study and participation in online modules. They can complete the class on and off duty at their speed. They have reported that the information is presented well, and they are collectively advancing rapidly. Brendan Donohue is preparing to take the practice test for licensing on April 15<sup>th</sup>.

This transition from a two-week in-person to a hybrid module appears more conducive to learning and has significantly saved costs. The four tuitions would have equaled the cost of one two-week in-person class. We will provide an update as each receives their Captains Licenses.

### **CITY, COUNTY, AND STATE RELATIONS**

The Harbormaster has continued working with experts to develop a Coastal Boat Operator course for the California Division of Boating. We have met monthly since last September to develop the course content and skills stations. The 40-hour course will be held at our facility from May 8<sup>th</sup> through 12<sup>th</sup>. The class will serve Harbor Patrol and Marine Safety Agencies throughout the state. After the conclusion of the trial course, the State Division of Boating will determine if the course will be approved and what locations may host them in the future.

The Harbormaster permitted the Ventura City Fire Department to do additional Engineer driving instructions on Parcel 19A. The Department has been promoting across all ranks, and they are appreciative of the use of the lot to get their staff qualified in these positions.

The Harbormaster met with Ventura County Fire to explore a partnership in a Fireboat. Ventura County Fire has already done the same with Channel Islands Harbor. The Channel Islands Harbor boat is reaching the end of its service life, and when it's out of service, there is no coverage. While we have the mutual aid agreement, having a third boat in the County would allow for safer responses offshore and provide redundancy when either of the two current boats are out of service. We desire to keep any new boat in Ventura Harbor. With County Fire staff as support, it could respond safer offshore and in various sea conditions. Ventura County Fire desires to provide water responses throughout the County Coastline. We have previously reached out to Ventura City Fire Department to explore a more comprehensive partnership, but the Chief reported that they wanted to maintain the current level with the Port District. He also reported that they did not have the desire or responsibility to respond offshore.

### **SOUNDINGS**

The Harbor entrance and sand trap were dredged during March, with Manson starting actual dredging Saturday, March 11<sup>th</sup>, and completing the weekend of March 25<sup>th</sup>. The quick two-week operation left us with a safe Harbor entrance and a somewhat empty sandtrap ready to be refilled for next year's dredging.

**VENTURA PORT DISTRICT  
DEPARTMENTAL STAFF REPORT**

Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: Todd Mitchell, Sr. Business Operations Manager  
Dave Werneburg, Marina Manager / Commercial Fisheries  
SUBJECT: March 2023 Marina Report

**MARINA DEPARTMENT ACTIVITIES**

**Ventura Harbor Village Marina**

Total Slip Count	103	100%
Slips Assigned	102	99%
Slips Occupied	87	84%
Slips Available	1	1%

**Port District Dry Storage**

Total Spaces	88	100%
Active Contracts	71	81%
Available	17	19%

**COMMERCIAL FISHING**

**California Market Squid Harvest – Ventura Harbor**

- 2023-24 Squid Season opened April 1, 2023

California Market Squid Statistics		
State-wide Seasonal Squid Limit:	118,000 tons	236,000,000 lbs.
Ventura March Squid Landings:	0 tons	0 lbs.
Ventura Season-to-date:	0 tons	0 lbs.

**CALM BEFORE THE STORM?**

There have been no measurable squid landings in California to date. A few vessels are landing anchovies in the San Pedro area. Most anticipate the heavy lifting and fishing will resume late August and/or September.

From Bremerton, WA to Coos Bay, OR down to our own Ventura Boatyard you will find any number of our commercial fishing fleet “on the hard” in boatyards for repairs, refrigeration upgrades, etc.



**ATTACHMENT:**

Attachment 1 – Commercial Fishing and Aquaculture Advocacy Report by K&L Gates



**Commercial Fishing & Aquaculture Advocacy**  
**Ventura Port District**  
*Monthly Report – March 2023*

## Executive Summary

- The National Oceanic and Atmospheric Administration (NOAA) requested \$6.8 billion in FY24 discretionary appropriations (an increase of \$450.5 million from FY23 enacted levels), which includes \$1.2 billion for the National Marine Fisheries Services (NMFS), including \$19.4 million for aquaculture programs.
- The U.S. Coast Guard established a temporary safety zone for the navigable waters, approximately 5 miles offshore of Santa Barbara, California to protect personnel, vessels, and the marine environment from potential hazards created by ongoing aquaculture gear deployment and installation.
- Representative Jared Huffman (D-CA) led a congressional letter to NOAA commenting on the shortcomings of its recent proposed rulemaking to expand and update the Seafood Import Monitoring Program (SIMP).
- NOAA Fisheries released the Office of Law Enforcement’s Draft Enforcement Priorities for 2023–2027. NOAA’s Office of Law Enforcement focuses efforts to: combat illegal, unreported, and unregulated fishing; support international fisheries; reduce seafood fraud; and end wildlife trafficking.
- Senators Bob Menendez (D-NJ) and Jim Risch (R-ID) introduced a bipartisan resolution underscoring the threats posed by illegal, unregulated, and unreported fishing to security, prosperity, and biodiversity in Latin America and the Caribbean.
- The California State Assembly considered legislation to establish the California Monitoring Program to collect comprehensive data on coastal and inland anadromous salmonid populations.

## Federal Legislation

The following fisheries-related bills were passed, considered, or introduced this month:

### [H.J.Res.46 — Congressional Disapproval of National Marine Fisheries Service Rule](#)

**Sponsor:** Rep. Bentz, Cliff [R-OR-2]

**Latest Action:** March 30, 2023 (*Introduced*)

**Summary:** Disapproval of the rule submitted by the National Marine Fisheries Service relating to “Endangered and Threatened Wildlife and Plants; Regulations for Listing Endangered and Threatened Species and Designating Critical Habitat”, and such rule shall have no force or effect.

### [S.J.Res.23 — Congressional Disapproval of National Marine Fisheries Service Rule](#)

**Sponsor:** Sen. Lummis, Cynthia [R-WY]

**Latest Action:** March 30, 2023 (*Introduced*)

**Summary:** Disapproval of the rule submitted by the National Marine Fisheries Service relating to “Endangered and Threatened Wildlife and Plants; Regulations for Listing Endangered and Threatened Species and Designating Critical Habitat”, and such rule shall have no force or effect.

### [H.R.2315 — Limitation on Availability of Funds for International Fisheries Commissions](#)

**Sponsor:** Rep. Biggs, Andy [R-AZ-5]

**Latest Action:** March 29, 2023 (*Introduced*)

**Summary:** To provide for a limitation on availability of funds for Department of State, International Commissions, International Fisheries Commissions for fiscal year 2024.

### [H.R.676 — Coastal Communities Ocean Acidification Act of 2023](#)

**Sponsor:** Rep. Pingree, Chellie [D-ME-1]

**Latest Action:** March 29, 2023 (*Approved in Committee*)

**Summary:** To amend the Federal Ocean Acidification Research Act of 2009 to require the Commerce Secretary, acting through the Administrator of the National Oceanic and Atmospheric Administration, to collaborate with State and local governments and Indian Tribes on vulnerability assessments related to ocean acidification, research planning, and similar activities.

### [H.R.886 — Save Our Seas 2.0 Amendments Act](#)

**Sponsor:** Rep. Bonamici, Suzanne [D-OR-1]

**Latest Action:** March 23, 2023 (*Subcommittee Hearing Held*)

**Summary:** To amend the Save Our Seas 2.0 Act to improve the administration of the Marine Debris Foundation, to amend the Marine Debris Act to improve the administration of the Marine Debris Program of the National Oceanic and Atmospheric Administration.

### [H.R.1558 - SAVES Act](#)

**Sponsor:** Rep. Moran, Nathaniel [R-TX-1]

**Latest Action:** March 22, 2023 (*Referred to Subcommittee*)

**Summary:** To amend the Endangered Species Act of 1973 to provide that nonnative species in the U.S. shall not be treated as endangered species or threatened species for purposes of that Act.

[H.R.1383 – Marine Mammal Climate Change Protection Act](#)

**Sponsor:** Rep. Brownley, Julia [D-CA-26]

**Latest Action:** March 22, 2023 (*Referred to Subcommittee*)

**Summary:** To establish requirements to protect marine mammals adversely affected by climate change, including by establishing a program within the National Oceanic and Atmospheric Administration to monitor the adverse impacts of climate change on marine mammals.

[H.R.1196 —Don Young Restoration Grants for Coastlines and Fisheries Act of 2023](#)

**Sponsor:** Del. Plaskett, Stacey E. [D-VI-At Large]

**Latest Action:** March 22, 2023 (*Referred to Subcommittee*)

**Summary:** To require the Administrator of the National Oceanic and Atmospheric Administration to establish a grant program to benefit coastal habitats, and resiliency.

[S.771 – SAVES Act](#)

**Sponsor:** Sen. Cruz, Ted [R-TX]

**Latest Action:** March 9, 2023 (*Introduced*)

**Summary:** To amend the Endangered Species Act of 1973 to include a prohibition on the listing of a living nonnative species as a threatened species or an endangered species.

[H.R.1461 – Coastal Seaweed Farm Act of 2023](#)

**Sponsor:** Rep. Huffman, Jared [D-CA-2]

**Latest Action:** March 8, 2023 (*Introduced*)

**Summary:** To direct the Secretary of Agriculture and the Administrator of the National Oceanic and Atmospheric Administration to carry out a study on coastal seaweed farming, issue regulation relating to such farming, and establish an indigenous seaweed farming fund.

## In The Agencies

The following agency press releases have implications for activities related to commercial fisheries and aquaculture:

[NOAA's FY 2024 Budget: Building a Climate-Ready Nation](#)

For FY24, NOAA requested \$6.8 billion in discretionary appropriations, an increase of \$450.5 million from the FY23 enacted budget. With this budget increase, NOAA will build a climate-ready nation by providing actionable environmental information that shapes smart policy and decision-making; continue to foster environmental stewardship and inform sustainable economic



development, with a particular focus on the New Blue Economy; and integrate equity across the organization by improving capabilities and knowledge sharing and honing product development and service delivery in tribal and underserved communities.

[DOT Announces More Than \\$12 Million in Funding for the U.S. Marine Highway Program](#)

The Maritime Administration (MARAD) announced a Notice of Funding Opportunity making \$12,423,000 available in FY23 funds through the United States Marine Highway Program. The USMHP seeks to increase the use of America's navigable waterways, especially where water-based transport is the most efficient, effective, and sustainable option. MARAD will evaluate projects using criteria including the effect on movement of goods, level of non-federal funding investment, use of domestic preference, consideration of equity, and environmental justice. Applications must be submitted by on April 28, 2023. For technical assistance, MARAD will host a series of webinars during the USMHP grant application process.

[Request for Comments: NOAA's Office of Law Enforcement Priorities](#)

NOAA Fisheries released the Office of Law Enforcement's Draft Enforcement Priorities for 2023–2027. These priorities were developed through an extensive stakeholder engagement process and will help the enforcement team accomplish its mission, guide its strategic planning, and focus the use of law enforcement assets where they are most needed. NOAA's Office of Law Enforcement focuses efforts to: combat illegal, unreported, and unregulated fishing; support international fisheries; reduce seafood fraud; and end wildlife trafficking. The 2023–2027 enforcement priorities were designed to support and implement these goals. The public comment period is open through April 17, 2023.

[U.S. Announces \\$800 Million in International Commitments for Protecting Our Ocean](#)

At the Our Ocean Conference in Panama, the U.S. highlighted new and recently launched global initiatives totaling more than \$800 million to protect our ocean and assist developing countries – from supporting the creation of marine protected areas and helping partner countries secure and enforce their marine resources, to improving the resilience of coastal areas to climate change. These announcements included: an intention to request funding to support a new ten-year Economic Assistance Agreement with the Pacific Island Forum Fisheries Agency in connection with the South Pacific Tuna Treaty; the signing of a new Memorandum of Understanding between the U.S. Coast Guard and nonprofit Global Fishing Watch, to further transparency in the fight against illegal, unreported, and unregulated fishing; and a pledge of \$40.5 million for the Save Our Seas Initiative with the goal to eliminate plastic leakage into the environment by 2040.

[Advisory Committee Charts a Path Forward for Controlling Destructive Invasive Species](#)

Newly appointed members of the Invasive Species Advisory Committee (ISAC) gathered to discuss strategies to prevent, eradicate, and control invasive species, which impose substantial costs on society and cause damages that impact the global economy, including an estimated \$120



billion in environmental damages and losses annually in the United States. Chartered under the Federal Advisory Committee Act and managed by the Department of the Interior, the ISAC has provided valuable input to the National Invasive Species Council on a wide range of federal priorities and emerging issues since it was created in 1999. The Council comprises the senior leadership of 12 federal departments and agencies, and four executive offices of the President.

#### [FMC Checking Ocean Carrier & MTO Compliance with Recent Ruling on Per Diem Charges](#)

The Federal Maritime Commission (FMC) is actively seeking information to confirm that ocean carriers and marine terminal operators are complying with the law following a precedential decision it issued addressing when per diem detention charges can be billed. In a December Order, the Commission held that the charging of per-diem when a port was closed and equipment could not be returned was unjust and unreasonable. The FMC, through its Vessel-Operating Common Carrier Audit Program, is contacting the 11 largest ocean carriers calling the U.S. to confirm these shipping lines are adjusting their demurrage and detention practices accordingly. A separate outreach effort to marine terminal operators is being conducted simultaneously to ensure they are fully complying with the May 2020 rule.

### **On The Hill**

The following congressional press releases have implications for activities related to commercial fisheries and aquaculture:

#### [Huffman Calls for Expanded Seafood Import Monitoring](#)

Representative Jared Huffman, Ranking Member of the Natural Resources Subcommittee on Water, Wildlife, and Fisheries, Natural Resource Ranking Member Raúl Grijalva (D-AZ), and Representative Jimmy Panetta (D-CA) led a letter to the National Oceanic and Atmospheric Administration commenting on the shortcomings of their recent proposed rulemaking to expand and update the Seafood Import Monitoring Program and advocating for SIMP expansion to all species. SIMP currently only requires catch documentation and traceability for approximately 45% of seafood imports. The proposed expansion would only increase SIMP's coverage by 5 to 10 percent, leaving nearly half of seafood imports without sufficient import controls.

#### [Huffman and Neguse Urge Adoption of National Biodiversity Strategy](#)

Congressman Jared Huffman, Ranking Member of the House Subcommittee on Water, Wildlife, and Fisheries, and Congressman Joe Neguse (D-CO), Ranking Member of the House Subcommittee on Federal Lands, reintroduced a resolution in the House of Representatives calling for a national biodiversity strategy. The Strategy process would encourage agencies to identify and pursue a full range of actions within existing laws and policies and encourage consideration of new ones. It would also promote accountability and progress in addressing the biodiversity crisis through a new quadrennial assessment.

### [Menendez, Risch Introduce Resolution Underscoring Urgency of Combatting IUU Fishing](#)

Senators Bob Menendez and Jim Risch, Chairman and Ranking Member of the Senate Foreign Relations Committee, introduced a bipartisan resolution underscoring the threats posed by illegal, unregulated, and unreported fishing to security, prosperity, and biodiversity in Latin America and the Caribbean. The resolution calls for strengthened U.S. efforts to counter IUU fishing in the Western Hemisphere, including by conducting joint Coast Guard and U.S. Southern Command operations, bolstering the capacity of regional governments and fishery management organizations to monitor and prosecute IUU fishing, and issuing sanctions and visa restrictions against perpetrators, particularly those subsidized by the People's Republic of China.

### [Graves and Rouzer Lead GOP Effort to Overturn WOTUS Rule](#)

Transportation and Infrastructure Committee Chairman Sam Graves (R-MO), Water Resources and Environment Subcommittee Chairman David Rouzer (R-NC), and other Committee Members joined Speaker of the House Kevin McCarthy (R-CA) for a bill signing ceremony for a resolution to overturn the Biden Administration's "waters of the United States" (WOTUS) rule. If implemented, the Biden WOTUS rule would lead to a sweeping expansion of the federal government's authority to regulate what is considered a navigable water, with enormous impacts on small businesses, manufacturers, farmers, home and infrastructure builders, local communities, water districts, and private property owners.

## **Federal Register Notices**

The following fisheries or aquaculture-related rules and regulations were published this month in the Federal Register:

### [Magnuson-Stevens Fishery Act; Seafood Import Monitoring Program](#)

**Agency:** National Marine Fisheries Service

**Latest Action:** March 31, 2023 (*Extension of Comment Period*)

**Summary:** NMFS announced an extension to the comment period for the proposed rule on the Seafood Import Monitoring Program (SIMP) published in the Federal Register on December 28, 2022. The comment period is being extended from March 28, 2023, to April 27, 2023.

### [Procedures for Commercial Pacific Bluefin Tuna in the Eastern Pacific Ocean](#)

**Agency:** National Marine Fisheries Service

**Latest Action:** March 28, 2023 (*Correction*)

**Summary:** NMFS is correcting a final rule for in-season action announcement procedures for commercial Pacific bluefin tuna that appeared in the Federal Register on January 27, 2023. In that rule, NMFS did not address a public comment because of an error on the deadline for comment submissions. This correction responds to the comment, which does not change the action in the January 27 final rule.

[Eligibility of U.S.-Flag Vessels of 100 Feet or Greater To Obtain a Fishery Endorsement](#)

**Agency:** Maritime Administration

**Latest Action:** March 28, 2023 (*Notice*)

**Summary:** The Maritime Administration (MARAD) invites public comments on its intention to request Office of Management and Budget approval to renew an information collection. The information collection OMB 2133–0530 (Requirements for Eligibility of U.S.-Flag Vessels of 100 Feet or Greater in Registered Length to Obtain a Fishery Endorsement) is necessary for MARAD to determine if a particular vessel is owned and controlled by United States citizens and is eligible to receive a fishery endorsement to its documentation.

[Amendment 20 to the Coastal Pelagic Species Fishery Management Plan](#)

**Agency:** National Marine Fisheries Service

**Latest Action:** March 23, 2023 (*Request for Comments*)

**Summary:** NMFS announced that the Pacific Fishery Management Council has submitted Amendment 20 to the Coastal Pelagic Species Fishery Management Plan for review by the Secretary of Commerce. The intent of Amendment 20 is to improve clarity in the management framework for CPS stocks. This action is administrative in nature and does not change management for CPS stocks, just certain nomenclature in the FMP.

[Determination of Overfishing or an Overfished Condition](#)

**Agency:** National Marine Fisheries Service

**Latest Action:** March 8, 2023 (*Notice*)

**Summary:** NMFS has found that the following stocks of fish are now subject to overfishing or overfished: Gulf of Maine haddock, Gulf of Mexico cubera snapper, Gulf of Mexico Jacks Complex, and Gulf of Mexico Mid-water Snapper Complex are now subject to overfishing, and Pacific bluefin tuna, Pacific sardine, Bering Sea snow crab, Saint Matthew Island blue king crab, Southern New England/Mid-Atlantic yellowtail flounder, Gulf of Maine/ Georges Bank Atlantic wolffish, Northwestern Atlantic ocean pout, Northwestern Atlantic witch flounder, Atlantic herring, Atlantic halibut, and Georges Bank yellowtail flounder all continue to be overfished.

[Pacific Halibut Fisheries; Catch Sharing Plan; 2023 Annual Management Measures](#)

**Agency:** National Oceanic and Atmospheric Administration

**Latest Action:** March 7, 2023 (*Final Rule*)

**Summary:** The Assistant Administrator for Fisheries, NOAA, on behalf of the International Pacific Halibut Commission (IPHC), published as regulations the 2023 annual management measures governing the Pacific halibut fishery that have been recommended by the IPHC and accepted by the Secretary of State, with the concurrence of the Secretary of Commerce. These measures are intended to enhance the conservation of Pacific halibut and further the goals and objectives of the Pacific Fishery Management Council and the North Pacific Fishery Management Council.

[Pacific Halibut Fisheries of the West Coast; 2023 Catch Sharing Plan](#)

**Agency:** National Marine Fisheries Service

**Latest Action:** March 3, 2023 (*Request for Comments*)

**Summary:** NMFS proposes to approve changes to the Pacific Halibut Catch Sharing Plan for the International Pacific Halibut Commission's regulatory Area 2A off of Washington, Oregon, and California. In addition, NMFS proposes to implement management measures responsibility for governing the 2023 recreational fisheries that are not implemented through the International Pacific Halibut Commission. Comments on the proposed rule must be received on or before March 20, 2023.

[Safety Zone; Ocean Rainforest Aquaculture, Santa Barbara, CA](#)

**Agency:** U.S. Coast Guard

**Latest Action:** March 2, 2023 (*Temporary Final Rule*)

**Summary:** The U.S. Coast Guard is establishing a temporary safety zone for the navigable waters, approximately 5 miles offshore of Santa Barbara, California. This safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards created by ongoing aquaculture gear deployment and installation. Entry of persons or vessels into this safety zone is prohibited unless specifically authorized by the Captain of the Port Sector Los Angeles—Long Beach, or their designated representative.

[Pacific Coast Groundfish Fishery Management Plan](#)

**Agency:** National Marine Fisheries Service

**Latest Action:** March 3, 2023 (*Correcting Amendment*)

**Summary:** NMFS is correcting the 2023– 2024 harvest specifications and management measures for groundfish caught in the U.S. exclusive economic zone seaward of Washington, Oregon, and California published on December 16, 2022. These corrections are necessary so the regulations accurately implement the intent of the Pacific Fishery Management Council.

## State Legislative Activity

The following fisheries-related bills were passed, considered, or introduced this month in the state of California:

[AB 3](#)

**Sponsor:** Rick Zbur (CA-51)

**Latest Action:** March 23, 2023 (*Amended*)

**Summary:** This bill would require the State Energy Resources Conservation and Development Commission to consult with specified entities and prepare a report that identifies potential alternatives, analyzes, and makes recommendations regarding procurement mechanisms and

procurement strategies for offshore wind energy projects to be financed, entitled, constructed, and operated within the timeframes necessary for meeting the state's carbon neutrality goals.

#### [SB 286](#)

**Sponsor:** Mike McGuire (CA-2)

**Latest Action:** March 22, 2023 (*Amended*)

**Summary:** This bill would require the California Coastal Commission to process a consolidated coastal development permit for any new development that requires a coastal development permit and that is associated with, appurtenant to, or necessary for the construction and operation of offshore wind energy projects and transmission facilities needed for those projects.

#### [AB 953](#)

**Sponsor:** Damon Connelly (CA-12)

**Latest Action:** March 16, 2023 (*Amended*)

**Summary:** This bill would require the Ocean Protection Council, on or before May 1, 2025, in coordination and in consultation with various entities, including the State Air Resources Board, to implement a statewide voluntary vessel speed reduction and sustainable shipping program for the California coast in order to reduce air pollution, the risk of fatal vessel strikes on whales, and harmful underwater acoustic impacts.

#### [AB 809](#)

**Sponsor:** Steve Bennett (CA-38)

**Latest Action:** March 22, 2023 (*Amended*)

**Summary:** This bill would require the Department of Fish and Wildlife to establish the California Monitoring Program to collect comprehensive data on coastal and inland anadromous salmonid populations, in coordination with relevant federal and state agencies, to inform salmon and steelhead recovery, conservation, and management activities.

#### [SB 500](#)

**Sponsor:** Mike McGuire (CA-2)

**Latest Action:** March 28, 2023 (*Amended*)

**Summary:** This bill would require the Fish and Game Commission to adopt regulations related to commercial sea urchin diving permits, and to the vessels used to commercially fish for sea urchin, to better manage the number of permits issued. Because a violation of these regulations would be a crime, this bill would impose a state-mandated local program.

### State Regulatory Activity

The following fisheries-related regulations were proposed, adopted, or implemented this month in the state of California:

Habitat Conservation Plan For Northern California Summer Steelhead

**Agency:** California Department of Fish and Wildlife

**Latest Action:** March 3, 2023 (*Notice*)

**Summary:** The Humboldt Redwood Company is requesting a determination that the incidental take permit and its associated Habitat Conservation Plan are consistent with California Endangered Species Act for purposes of the proposed project on 209,000 acres of land spread throughout Humboldt County, California.



\*March 2023 report showcases samples & highlights of the Ventura Harbor Visitor Attraction Plan.

## EVENT PROMOTIONS - Mermaid Month

The 8th annual Mermaid Month special events activated the shopping center with programming from the main lawn, along the promenade, and throughout the Village on March 4th & 19th:

- Mermaid **Meet & Greets** by Sheroes Entertainment
- Mermaid **Dance Parties** by DJ Darla Bea & Sheroes Ent.
- Complementary **Craft Stations** by Las Posas Child Center
- Free Kid **Pirate Ship play structure** on the lawn
- Ocean Education booth by **Surfrider Foundation**
- Themed **Photo Backdrops** and **Scavenger Hunts**
- Community **Ukulele & Steel Drum** Entertainers
- Pop Up **Mermaid Market** (feat. Village Makers)
- Mermaid **Slime Station** (new vendor - sold out!)
- Mermaid **Face Painting** & Glitter Tattoos + Tropical Birds
- Mermaid **Eats, Treats, Merch, and more** by Village Tenants



## VISITOR AMMENTIES - Shell Backdrop Refurbishment

Worked with Embellish to refresh the large Mermaid Shell backdrop. Hundreds of visitors took photos with the display for the entirety of March!

## VISITOR AMENITIES - Mermaid Chalk Art

Artist Lysa Ashley attracted visitors with a live chalk demo March 17th & 18th in front of Le Petit Café & Bakery. Remained on display thru March!



## LIVE MUSIC - Performances

March 4 | Various Entertainers:

- Seated Mermaid
- Dancing Mermaid
- Ukulele Group
- Hulu Dancers
- DJ Darla Bea
- Roaming Pirates

March 11 | Steel Drummer

March 18 | Steel Drummer

March 19 | Various Entertainers:

- Same as above

March 25 | Karen Eden

43

## DESTINATION PLACEMAKING

March marked the arrival of **10k** new Spring Village Map & Guides that are distributed to local hotels, Channel Islands National Park Visitor Center, Island Packers, Ventura Visitor Center and various locations throughout the Village.



# MARCH MARKETING REPORT -

# Content Development

\*March 2023 report showcases samples & highlights of the Ventura Harbor Visitor Attraction Plan.

## SOCIAL MEDIA - Cross Network Performance Metrics



65k

Total Audience

1.2mil

Impressions

53k

Engagements

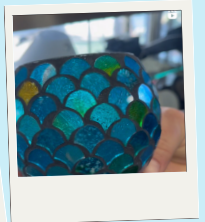
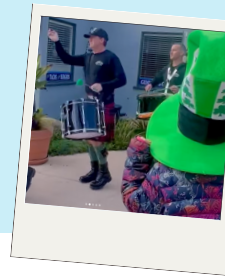
6k

Post Clicks

Up 50%  
impressions +  
engagements  
across social  
platforms

## VISUALS - Sampling of Content

Engaged visitors in conversation about scenic photo ops with snowcapped mountains, and more sunshine after day-light savings!



## COPYWRITE - Enewsletters / Blog Performance

Topics included: Mermaid Month special event announcements. Saint Patrick's Day, and harbor fun that's "Worth the Drive". Plus 3 internal tenant newsletters.

3

E-Newsletters

15k

Subscribers

19k

Opens

714

Link Clicks



## REELS - Short Video Compilations

Collaborated with local content creator, LyssEats805, to produce a foodie feature on Mermaid Treats at **Coastal Cone** and Saint Patrick's meal suggestions at **Boatyard Pub**. Marketing Coordinator captured & repurposed content to produce 4 reels (on **Mermaid Events**, Mermaid Merch at **Treasure Cove**, Fish Tacos at **Baja Bay**, and one experiential reel covering various businesses). Plus, 1 user-generated clip reposted.

8

Reels

80k

Plays

## ADVERTISING - Digital

**St. Patrick's Day, Mermaid Events, Clam Chowder,** and **Spring Break Sunshine** were campaign themes in March. Two paid digital e-blasts coordinated with **Valley Scene Magazine** (120k subscribers) and VC Reporter (15k) for extra drive market & local visibility. 44

## Meta Ad Performance

338k

Reach

5k

Clicks

\$1500

Spend





\*March 2023 report showcases samples & highlights of the Ventura Harbor Visitor Attraction Plan.



## MEDIA OUTREACH

### Mermaid Month Promo

Ventura Harbor's Mermaid Month appeared on **KTLA Television Channel 5** on March 17 for a **4.5 minute segment** that featured an interview with Marketing Manager and showcased various (producer selected) Village tenants, mermaid merch, and vendors. Coverage reached **5 million viewers** with an ad equivalency of **\$50,000**. Segment also displayed on KTLA.com. In addition, editorial coverage on Mermaid Month appeared in The Log, Valley Scene Magazine, KEYT, The Patch, LA Parent Magazine, VC Reporter, Ventura Breeze, & more.



### Dredging & Beaches

Ventura Harbor Dredging and Beach replenishment appeared **ABC Eyewitness News Channel 7** Television Los Angeles on March 28th, Broadcast journalist, Sid Garcia, interviewed Ventura Port District's GM Brian Pendleton & Operations Todd Mitchell, resulting in just over **4-minutes of air time**. Segment featured footage from Surfers Knoll and Harbor Cove Beach.

## SUSTAINABILITY - Surfrider Info Session

Surfrider Foundation was invited to the Harbor Village for two dates in March, sharing info on ocean pollution & age-appropriate interactive displays for families at Mermaid Month.



## WOMEN'S HISTORY MONTH

Featuring Judy Cunningham

VENTURA YACHT CLUB



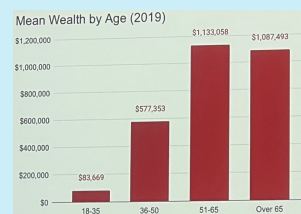
## CULTURAL RECOGNITION - Women's History Month

**Women's History Month** in March is an opportunity to highlight women who have made an impact in our community. **Judy Cunningham** of **Ventura Yacht Club** was recognized for many contributions over 34 years and prestigious sailing awards won, like the Pop Massa Award.

In honor of **International Women's Day** on March 8th, **Anna Sosnicki**, Polish-born owner of **Anja's Boutique** was also featured in a Ventura Harbor blog post. The blog highlights Sosnicki's uplifting mission of supporting women in business through curated designs and product displayed in her boutique.

## TOURISM REACH - Visit California

Marketing team attended and virtually reviewed sessions at Visit CA Outlook for updates on visitor demos & spending, sustainability, economic patterns, indigenous tourism, social media, and more.



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

Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Sr. Business Operations Manager  
Jessica Snipas, Business Operations Analyst II  
SUBJECT: March 2023 Property and Leasing Report

---

**CURRENT VACANCY REPORT**

- 1) 1559 Spinnaker Drive #103
  - District has been advertising the space since fall of 2022.
  - Staff have received a business plan/proposal from an existing tenant to relocate to the space. Prospective lease will go to the Board in April.
- 2) 1559 Spinnaker Drive #205A
  - Tenant departed in early June. Plans have been prepared by an architect to modify the suite and address needed improvements before re-leasing. First review by the City complete and second submission will go to city. Suite will remain vacant for several months during the design/permitting/construction/leasing process.

**CURRENT AVAILABILITY REPORT**

- 1) 1583 Spinnaker Drive #109
  - Tenant is month-to-month while negotiating terms for a new lease.
- 2) 1591 Spinnaker Drive #117B
  - Tenant is month-to-month while negotiating terms for a new lease at new location within Harbor Village.
- 3) 1591 Spinnaker Drive #205
  - After eighteen years of tenancy, tenant purchased their own office, and will move in when construction is completed. District agreed to go month-to-month until move out.

**LEASING OUTREACH**

- 1) Prospective Tenant Waiting List
  - Staff maintains a list of prospective tenants in each class (office, retail, restaurant) and contacts when a vacancy exists.
- 2) Leasing Outreach
  - Listed on Ventura Harbor Village and Ventura Harbor websites, posted on Ventura Harbor's Twitter and Facebook accounts, as well as with window leasing signage on available properties.
- 3) Per the new Ventura Harbor Village Leasing Strategy and Action Plan, District staff will be collaborating with other local resources to research additional channels to market suite availability to reach a broader range of potential tenant applicants in order to promote diversity, equity, and inclusion.
  - Listed 1559 Spinnaker Drive #103 in Vida Newspaper on print and digitally September 29 – October 5, 2022.
  - *Our Community USA* (a business and service directory for the LGBTQ+ community) advertisement 2023.

**Availability as of March 31, 2023:**

CATEGORY	TOTAL Square Footage	Harbor Vacancy Sq Ft	Harbor Vacancy %	Harbor Available Sq Ft	Harbor Available %	City * Vacancy %	City * Available %
Office	38,591	3,679	10%	1,058	3%	20%	22%
Retail	20,196	400	2%	761	4%	17%	18%
Restaurant	33,622	0	0%	2,675	8%	4%	3%

**> Harbor Vacancy --- No tenant or lease**

Office: 1559 #205A-E  
 Retail: 1559 #103  
 Restaurant: None.

**> Harbor Available --- Tenant on MTM lease, including Harbor Vacancy numbers**

Office: 1591 #205  
 Retail: 1591 #117B  
 Restaurant: 1583 #109

\* City: Based on comparable square footage within Ventura 93001 area

\*\* City Restaurant vacancy/available as reported by CoStar Program

\*\*\* Definition of available includes MTM status

*(Note that total square footage values have been updated to reflect recategorization of some units and the addition of the GSA lease for National Park Service offices which were not previously included).*

**SALES REPORTS**

The attached summary of sales for three Harbor Village business categories: restaurants, retail, and charters. The reports compare the monthly sales for 2022 and 2023. They also include year-to-date comparisons.

The year-to-date overall sales for Harbor Village Tenants through the month of February were down 13.99% from the same time last year.

**VEHICLE TRAFFIC COUNTS**

	Spinnaker Drive Entrance		Schooner Drive Entrance	
Month	March	February	March	February
Car Count	86,083	101,786	50,504	46,347
Busiest Day	Friday: 15,663	Sunday: 18,643	Thursday: 8,321	Sunday: 7,430
Busiest Hour	Friday: 12 PM	Sunday: 12 PM	Thursday: 4 PM	Sunday: 2 PM

**ATTACHMENTS:**

Attachment 1 – February 2023 Sales Report

# ATTACHMENT 1

## Ventura Harbor Village Tenant Sales Summary

Month of February	<u>February-2023</u>	<u>February-2022</u>	<u>% Change</u>
Restaurants	\$ 1,392,736	\$ 1,603,875	-13.16%
Retail	\$ 321,268	\$ 388,487	-17.30%
Charters	\$ 314,962	\$ 454,784	-30.74%
Total	\$ 2,028,966	\$ 2,447,146	-17.09%

### Year-to-date through February 2023

	<u>Jan - Feb 2023</u>	<u>Jan - Feb 2022</u>	<u>% Change</u>
Restaurants	\$ 2,679,795	\$ 2,967,660	-9.70%
Retail	\$ 612,473	\$ 701,357	-12.67%
Charters	\$ 530,749	\$ 775,883	-31.59%
Total	\$ 3,823,017	\$ 4,444,900	-13.99%



VENTURA  
PORT DISTRICT

*Established 1952*

BOARD OF DIRECTORS  
PUBLIC FACILITIES CORPORATION  
APRIL 19, 2023

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**AGENDA ITEM IV.**  
Meeting Date: April 19, 2023

---

TO: Board of Directors of the Public Facilities Corporation  
FROM: Brian D. Pendleton, General Manager  
Amanda Kruse, Lagerlof Lawyers, LLP  
SUBJECT: Adoption of Resolution No. 130 Approving the Dissolution of the Ventura Port District Public Facilities Corporation

---

**RECOMMENDATION:**

That the Board of Directors adopt Resolution No. 130 to approve the dissolution of the Ventura Port District Public Facilities Corporation.

**SUMMARY:**

The Ventura Port District Public Facilities Corporation was created for financing purposes many years ago when the Ventura Port District was involved in bankruptcy proceedings. The Public Facilities Corporation has served the purpose for which it was incorporated, and the Ventura Port District no longer requires financing which would be facilitated through the Public Facilities Corporation. Therefore, there is no longer a compelling reason to continue to maintain the Public Facilities Corporation in operation. It is in the best interest of the District that the corporation is wound up and dissolved. To the extent the Public Facilities Corporation is the owner of any property, that property will be transferred to the Ventura Port District.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 6) Provide exceptional public service and organizational transparency.

**5-YEAR OBJECTIVES:**

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.
- 4) Updates to District policies to reflect improved transparency and DEI.

**BACKGROUND:**

The Ventura Port District Public Facilities Corporation was originally incorporated for the purpose of facilitating a bond issuance that enabled the Ventura Port District to emerge from bankruptcy proceedings. After the bonds were retired, the Ventura Port District Public Facilities Corporation was maintained in the event any further financing became necessary. The Ventura Port District does not require further financing through the Public Facilities Corporation and has been advised by its finance consultants that it will not require such financing in the future.

**FISCAL IMPACTS:**

None

**ATTACHMENTS:**

Attachment 1 – Resolution No. 130





**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VENTURA PORT DISTRICT PUBLIC FACILITIES CORPORATION  
TO WIND UP AND DISSOLVE**

**RESOLUTION NO. 130**

WHEREAS, the Board of Directors of the Ventura Port District Public Facilities Corporation (the "Corporation") has determined that it is in the best interest of this Corporation that the Corporation be wound up and dissolved, and

WHEREAS, pursuant to Section 2.01 of the Bylaws of the Corporation, the Corporation has no members,

IT IS THEREFORE RESOLVED THAT, the Board of Directors hereby unanimously elects to wind up and dissolve the Corporation, and the Corporation's officers, directors and legal counsel are hereby authorized and directed to take appropriate measures to wind up and dissolve the Corporation.

IT IS FURTHER RESOLVED THAT, the President and Secretary of the Corporation or a majority of the directors currently in office are authorized and directed to execute and verify a Certificate of Election to Wind Up and Dissolve in accordance with Corporations Code Section 8611, and to file the Certificate with the California Secretary of State and other Government agencies, as necessary.

IT IS FURTHER RESOLVED THAT, the officers of this Corporation are authorized and directed to file a final tax return as provided in Revenue & Taxation Code Section 23332 with the California Franchise Tax Board, and to file a final federal tax return with the Internal Revenue Service.

IT IS FURTHER RESOLVED THAT, on commencement of proceedings to wind up the Corporation, the officers of the Corporation are authorized and directed to prepare and file such other documents and take such other action as may be necessary or advisable in connection with the winding-up and dissolution of the Corporation, including the payment of or provision for all of its known debts and liabilities and, if necessary, the setting aside of a reserve for estimated expenses, unascertained or contingent liabilities and expenses and costs of winding up, distribution of assets and dissolution.

IT IS FURTHER RESOLVED THAT, the President and Secretary of the Corporation are authorized, empowered, and directed to execute and deliver in the name of and on behalf of the Corporation such assignments, or other instruments of transfer as may be deemed necessary or proper; and the officers and directors of this Corporation are authorized, empowered, and directed to do any and all acts and things necessary to carry out, perform, implement, and consummate the above-described distribution and to wind up the corporate affairs and dissolve this corporation, including, but not limited to, filing a Certificate of Dissolution in accordance with Corporations Code Section 8615.

ATTACHMENT 1

PASSED, APPROVED AND ADOPTED this 19th day of April 2023 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

---

Chris Stephens, President

ATTEST:

---

Brian Brennan, Secretary



VENTURA  
PORT DISTRICT  
*Established 1952*

# BOARD OF PORT COMMISSIONERS APRIL 19, 2023

## CONSENT AGENDA ITEM A APPROVAL OF OUT-OF-TOWN TRAVEL REQUESTS

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM A**  
Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
SUBJECT: Approval of Out-of-Town Travel Requests

---

**RECOMMENDATION:**

That the Board of Port Commissioners approve the out-of-town travel requests for:

- a) Sr. Business Operations Manager, Todd Mitchell to attend CMANC Spring Meeting from May 17 to May 19, 2023 in Morro Bay, CA.
- b) Harbor Patrol Officers Brendan Donohue and Taylor Plasch to attend Marine Firefighting Course from April 17 to April 21, 2023 in Marina Del Rey, California
- c) Harbor Patrol Officer Taylor Plasch to attend Water Women Empowerment Weekend from April 22 to 23, 2023 in San Diego, California
- d) Harbormaster, John Higgins to attend the California Harbormaster and Port Captains Conference May 23 to 25, 2023 in Sacramento, California.

**SUMMARY:**

Employees and Commissioners are encouraged to attend conferences, meetings, seminars, and other activities that provide an opportunity to be informed concerning matters of interest to the District and their position. The General Manager is recommending staff participate in the events listed herein.

**GUIDING PRINCIPLES:**

- 1) Maintain a safe, navigable, and resilient harbor.
- 5) Building respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
- 6) Provide exceptional public service and organizational transparency.
- 7) Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.

**5-YEAR OBJECTIVE:**

- D) Ensure dredging occurs annually 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) On-going leadership and participation with California Marine Affairs and Navigation Conference (CMANC) and other relevant organizations in support of federal and state assistance.
- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.
  - 2) Collaborate with City, regional, state, and federal agency officials in pursuit of mutually beneficial projects and programs.

**BACKGROUND:**

CMANC Spring Meeting in Morro Bay, CA from May 17-19, 2023

Sr. Business Operations Manager Mitchell will travel to Morro Bay to participate in the CMANC Spring Meeting. The benefit to the District for this travel is to meet with representatives of both local District and regional Division staff of the US Army Corps of Engineers to continue to advocate

for full funding for dredging Ventura Harbor's entrance channel in Federal Fiscal Year 2024 and beyond. The CMANC conference will also enable collaboration with other California Ports and Harbors about the navigation goals for California and develop the implementation strategy for those goals, including Ventura Harbor. It is also an opportunity for in-person strategy meetings with our consultant Carpi & Clay.

California DBAW Marine Firefighting Course, Marina Del Rey, CA from April 17-21, 2023

This course is a series of mini academies for new Harbor Patrol and Marine Safety Personnel. The course is 40 hours and includes both classroom and hands on training in Marine Firefighting. The students wear full personal protective equipment including self-contained breathing apparatus while training in the numerous aspects of firefighting. Upon completion, students will have demonstrated competency in the core skills and knowledge while being better prepared to respond to these emergencies in the future.

San Diego Lifeguards Water Women Empowerment Weekend, San Diego, CA from April 22-23, 2023

Harbor Patrol Officer Taylor Plasch will be attending this second annual event for the first time. The events objective is to unite, educate, and empower female Lifeguards and Water Safety Members through key speakers, events, mentoring, and networking. We are optimistic that HPO Plasch will attend this annually moving forward with the goal to become a mentor for local young women looking for careers in Marine Safety.

California Harbormasters and Port Captains Conference, Sacramento, CA from May 22-25, 2023

The annual conference is being held in Sacramento, California and will include members from throughout the state as well as representatives of numerous marine related services. The speakers will cover topics of interest as well as information provided by the California Division of Boating and Waterways. Attendance will strengthen relations with other harbors, as well as obtain information that can be implemented for the betterment of the Harbor.

**FISCAL IMPACTS:**

Travel costs related to these activities are included in the FY22-23 budget.

<b><u>CMANC</u></b>	<b><u>MITCHELL</u></b>
Registration	\$415.00
Lodging	\$410.40
Meals	\$80.00
Mileage	\$180.13
Miscellaneous	\$100.00
(Transit/Parking)	
<b>TOTAL</b>	<b>\$1,185.53</b>

<b><u>DBAW MARINE FIRE</u></b>	<b>DONOHUE</b>	<b>PLASCH</b>
Registration	\$0.00	\$0.00
Lodging	\$1,072.12	\$1,072.12
Meals	\$475.00	\$475.00
Mileage	\$100.48	\$100.48
Miscellaneous (Transit/Parking)	\$100.00	\$100.00
<b>TOTAL</b>	<b>\$1,747.60</b>	<b>\$1,747.60</b>

\* DBAW may reimburse costs.

<b><u>WATER WOMEN EVENT</u></b>	<b>PLASCH</b>
Registration	\$0.00
Lodging	\$627.95
Meals	\$190.00
Mileage	\$259.00
Miscellaneous (Transit/Parking)	\$100.00
<b>TOTAL</b>	<b>\$1,176.95</b>

\* DBAW may reimburse costs.

<b><u>CA HARBORMASTER</u></b>	<b>HIGGINS</b>
Registration	\$452.17
Lodging	\$798.98
Meals	\$285.00
Mileage	\$513.98
Miscellaneous (Transit/Parking)	\$150.00
<b>TOTAL</b>	<b>\$2,200.13</b>

**ATTACHMENTS:**  
None.





BOARD OF PORT COMMISSIONERS  
APRIL 19, 2023

CONSENT AGENDA ITEM B  
ADOPTION OF RESOLUTION No. 3469  
ACCEPTING THE WORK OF  
GARLAND/DBS, INC. FOR THE 1567  
BUILDINGS B AND C AND BUILDING  
1591 REROOFING PROJECT

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM B**  
Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Todd Mitchell, Sr. Business Operations Manager  
Joe Gonzalez, Capital Projects Manager  
SUBJECT: Adoption of Resolution No. 3469 Accepting the Work of Garland/DBS, Inc. for the  
1567 Buildings B and C and Building 1591 Reroofing Project

---

**RECOMMENDATION:**

That the Board of Port Commissioners adopt Resolution No. 3469:

- a) Accepting the work of Garland/DBS, Inc. for the 1567 Buildings B and C and 1591 Building Reroofing Project; and
- b) Authorize staff to prepare and record a Notice of Completion with the Ventura County Recorder.

**SUMMARY:**

On October 6, 2021, the Board awarded a bid to Garland/DBS, Inc. (Garland) in the amount of \$358,976.00 to complete reroofing of 1567 Buildings B and C. On April 6, 2022, the Board approved a change order to add additional work in the amount of \$136,620.00 for the reroofing of the single-story section of building 1591. Two additional change orders were requested by staff in the amount of \$21,964.00: these change orders consisted of scaffolding for the safety of patrons, stainless access doors for roof attics, and supply and installation of self-adhering roof systems on two buildings as walkways for 2<sup>nd</sup> floor window cleaning. The work is now complete to the satisfaction of the District. The final contract cost for all three buildings was \$506,691.00.

**GUIDING PRINCIPLES:**

- 7) Provide high-quality Harbor and coastal visiting-serving amenities, services, facilities, and infrastructure.

**5-YEAR OBJECTIVES:**

- V) Maintain and improve Harbor Village facilities, infrastructure, and amenities.
  - 1) Ongoing investment in Harbor Village Infrastructure

**BACKGROUND:**

In 2012, the Port District retained the Corrough Consulting Group to prepare a Capital Needs Assessment Report to identify the capital needs of all the District's operated facilities within the harbor. One of the primary needs identified in this report was the reroofing of the then 30-year-old roofs of the eight buildings comprising Harbor Village.

Since 2015, the District has been systematically reroofing the buildings in Harbor Village.

In FY21-22, the District budgeted to replace the tile roof of 1567 Spinnaker, Building B and C, where Baja Bay and the Pottery Gallery are located which has now been completed. During the project, it was identified that the single-story section of 1591 Spinnaker (which had not been previously completed) was in urgent need of reroofing due to a new tenant preparing to open for business (Deep Sea Wine Tasting) and therefore a change order was brought to the Board for approval.

1575 Spinnaker Drive (Sugar Lab/The 805/Copa), 1583 Spinnaker Drive (The Greek/Boatyard Pub) still require reroofing and are scheduled over the next two years in the Capital Improvement Plan.

**FISCAL IMPACT:**

The award of the reroofing contract to the Garland in the amount of \$358,976 was greater than the FY21-22 budget amount of \$250,000, but \$141,024 less than the combined budget for the two buildings 1567 A & B over the two fiscal years. With the Board's approval, the FY21-22 Budget and 5-Year Capital Improvement Plan was amended at mid-year to reflect these changes and savings. Construction management firm Castle & Gray International, Inc. was contracted to oversee this project for the amount of \$15,000.00 bringing the final project cost to \$521,691.00

**ATTACHMENTS:**

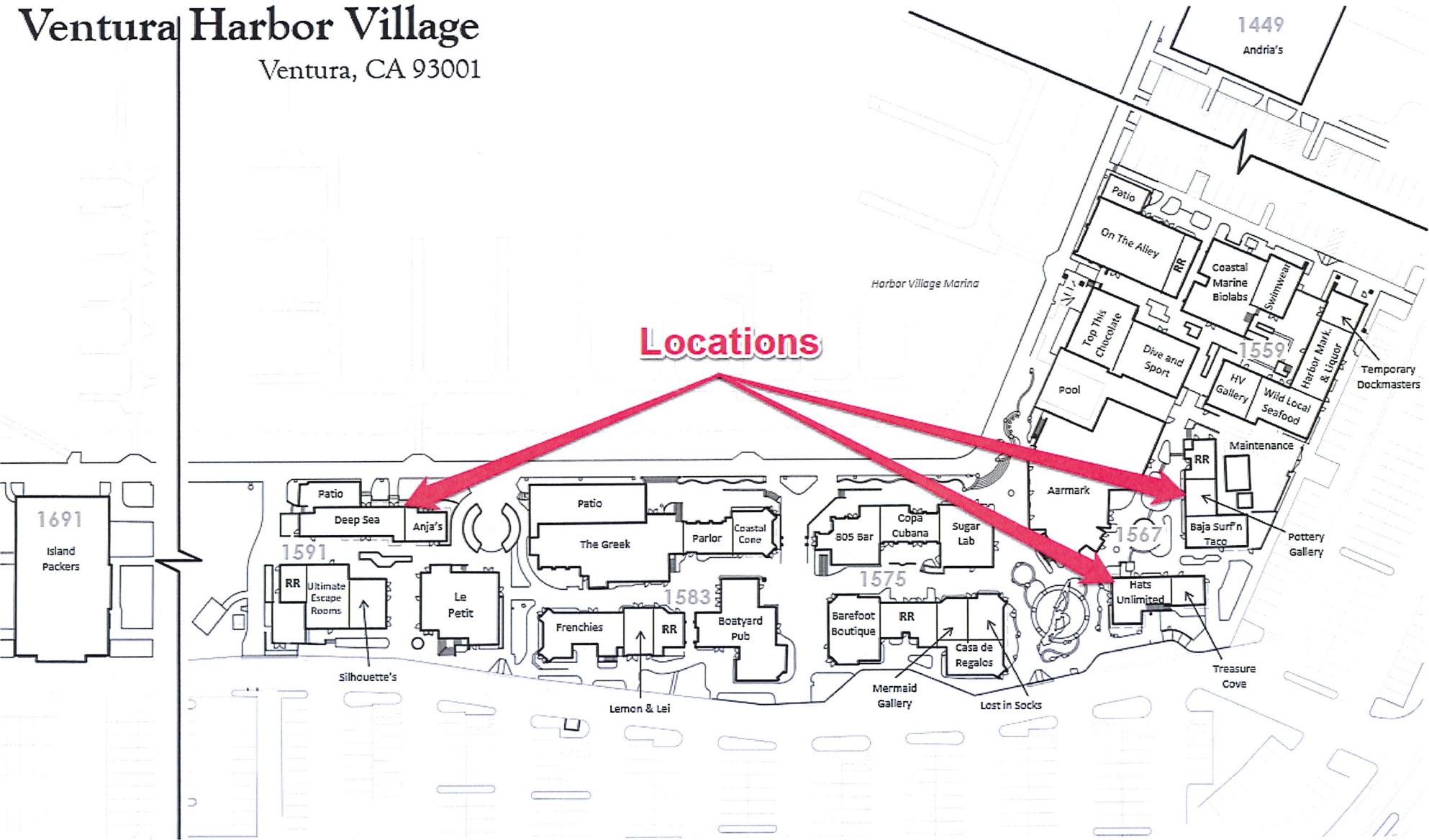
Attachment 1 – Location Map

Attachment 2 – Resolution No. 3469

Attachment 3 – Notice of Completion

# Ventura Harbor Village

Ventura, CA 93001



Project Site Plan: First Floor Tenants





**RESOLUTION NO. 3469**

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS  
OF THE VENTURA PORT DISTRICT  
ACCEPTING THE WORK OF GARLAND/DBS, INC. FOR THE  
1567 BUILDINGS B AND C AND BUILDING 1591 REROOFING PROJECT**

WHEREAS, Brian D. Pendleton, General Manager of the Ventura Port District, advised the Board of Port Commissioners of said District that the work of Garland/DBS, Inc. on the project entitled "1567 Buildings B and C and Building 1591 Reroofing Project" described in the Agreement between Garland/DBS, Inc. and the Ventura Port District, hereinafter referred to as "District", dated October 19, 2021 has been completed and recommends that said work be accepted.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners DETERMINES, and ORDERS as follows:

1. Said work is hereby accepted.
2. Pursuant to the conditions and specifications of the Agreement and upon the recommendation of the General Manager, Garland/DBS, Inc. is released from the obligations under said contract, except as to the conditions of the performance bond, required guarantees and correction of faulty work after payment.
3. The General Manager of the District is hereby directed to execute on behalf of the District or cause to be executed on behalf of the District and be recorded in the office of the Ventura County Recorder a Notice of Completion of said work.
4. The General Manager is hereby directed to send a copy of this Resolution to Garland/DBS, Inc. as the District's Notice of Acceptance of said work.

PASSED, APPROVED and ADOPTED this 19<sup>th</sup> day of April 2023.

Attest:

---

Michael Blumenberg, Chair

---

Anthony Rainey, Secretary

ATTACHMENT 2

STATE OF CALIFORNIA                    )  
COUNTY OF VENTURA                 ) ss.  
CITY OF SAN BUENAVENTURA         )

I, Anthony Rainey, Secretary of the Ventura Port District, a public corporation, do hereby certify that the above and foregoing Resolution No. 3469 was duly passed and adopted by the Board of Port Commissioners of said District at a regular meeting thereof held on the 19<sup>th</sup> day of April 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 19<sup>th</sup> day of April 2023.

---

Anthony Rainey, Secretary



RECORDING REQUESTED BY:  
Ventura Port District

AND WHEN RECORDED MAIL TO:  
Ventura Port District  
1603 Anchors Way Drive  
Ventura, CA 93001-4229

---

**NOTICE OF COMPLETION**

(Notice pursuant to Civil Code Section 3093, must be recorded within 10 days after completion)

**NOTICE IS HEREBY GIVEN THAT:**

1. The undersigned is an agent of the owner of the interest stated below.
2. The full name of the owner is Ventura Port District, a public benefit corporation and independent special district organized and existing under the laws of the State of California.
3. The full address of the owner is 1603 Anchors Way Drive, Ventura, CA 93001-4229.
4. The nature of the interest or estate is: fee simple.
5. The full name and full addresses of all co-owners who hold any title or interest with the above-named owner in the property are: Not applicable; there are no co-owners.
6. A work of improvement on the property hereinafter described was completed on March 27, 2023.
7. The work accomplished consisted of the reroofing of 1567 Spinnaker Drive buildings B and C and 1591 Spinnaker Drive.
8. The name of the contractor for the project is Garland/DBS, Inc. pursuant to the Agreement, dated October 19, 2021.
9. The property on which said work of improvement was completed is in the City of San Buenaventura, County of Ventura, State of California, and is described as Ventura Harbor Village.

Ventura Port District

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Brian D. Pendleton, General Manager

---

**VERIFICATION**

I, the undersigned, say that I am the General Manager of the declarant of the foregoing completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, at Ventura, California.

---

Brian D. Pendleton, General Manager



VENTURA  
PORT DISTRICT  
*Established 1952*

# BOARD OF PORT COMMISSIONERS APRIL 19, 2023

## CONSENT AGENDA ITEM C APPROVAL OF THE 2023 LIFEGUARD SERVICES CONTRACT

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM C**  
Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
John Higgins, Harbormaster  
SUBJECT: Approval of 2023 Lifeguard Services Contract

---

**RECOMMENDATION:**

That the Board of Port Commissioners authorize the General Manager to enter into a contract with the Department of Parks and Recreation to provide Lifeguard Services from mid-May 2023 through Labor Day 2023 at Harbor Cove and Surfers Knoll beaches in the amount of \$143,362.19.

**SUMMARY:**

Ventura Harbor and its Beaches have now become one of Ventura's more popular summer destinations. The post dredging results in some of the best sand in the City. Visitors from Ventura, Los Angeles, and 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 in providing summer lifeguards at Harbor Cove Beach after the City of Ventura eliminated 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.

**GUIDING PRINCIPLES:**

- 1) Maintain a safe, navigable, and resilient harbor.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
- 6) Provide exceptional public service and organizational transparency.
- 7) Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.

**5-YEAR OBJECTIVES:**

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.

**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 the government agency's investment returns are strong. Local visitors and outside tourists are attracted to safe, lifeguarded beaches, and the result is a robust local economy, higher property values, and consistently higher sales taxes. Our investment in a complete lifeguard service has brought us crowds mid-week and after the traditional summer months, which benefits our merchants and restaurants. We expect this trend to continue.

District Staff recommends entering into another contract with State Parks for \$143,362.19 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 service delivery methods, such as joint-service concepts. Staff will report back to the Commission should any significant opportunities present themselves.

**FISCAL IMPACT:**

The Lifeguard Contract for 2023 is estimated at \$143,362.19 (vs. \$140,131.07 in 2022) due to the increase in hourly rates for Lifeguard I/II and some off-season coverage options.

**ATTACHMENT:**

None.



BOARD OF PORT COMMISSIONERS  
APRIL 19, 2023

CONSENT AGENDA ITEM D  
TERMINATION OF CURRENT OFFICE  
LEASE AGREEMENT WITH ANDRES S.  
FERNANDEZ, LLC DBA THE 805 BAR &  
GRILLED CHEESE AND THE COPA  
CUBANA FOR 1567 SPINNAKER DRIVE  
#205

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM D**  
Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Sr. Business Operations Manager  
SUBJECT: Termination of Current Office Lease Agreement with Andres S. Fernandez, LLC  
dba The 805 Bar & Grilled Cheese and The Copa Cubana for 1567 Spinnaker Drive  
#205

---

**RECOMMENDATION:**

That the Board of Port Commissioners approve a termination of an Office Lease Agreement, dated June 1, 2022, between the Ventura Port District dba Ventura Harbor Village and Andres S. Fernandez, LLC dba The 805 Bar & Grilled Cheese and The Copa Cubana for 1567 Spinnaker Drive #205, consisting of approximately 290 square feet.

**SUMMARY:**

Andres S. Fernandez, LLC has requested to terminate its office lease at Harbor Village. Outstanding rent for the space has now been received and there is no balance due.

**GUIDING PRINCIPLES:**

5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.

**5-YEAR OBJECTIVES:**

R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.  
3) Leasing/Property Management

**BACKGROUND:**

In April of 2022, Andres S. Fernandez, LLC requested to lease an office space in close proximity to the restaurant space it leases for The 805 Bar & Grilled Cheese and The Copa Cubana at 1575 Spinnaker Drive Suite #101, 102, and 103. A lease was executed commencing June 1, 2022. The tenant has paid all outstanding rent due through April 30, 2023 and has asked the lease be terminated due to financial hardship. Staff is recommending approval of the request to resolve the outstanding lease matter.

**FISCAL IMPACT:**

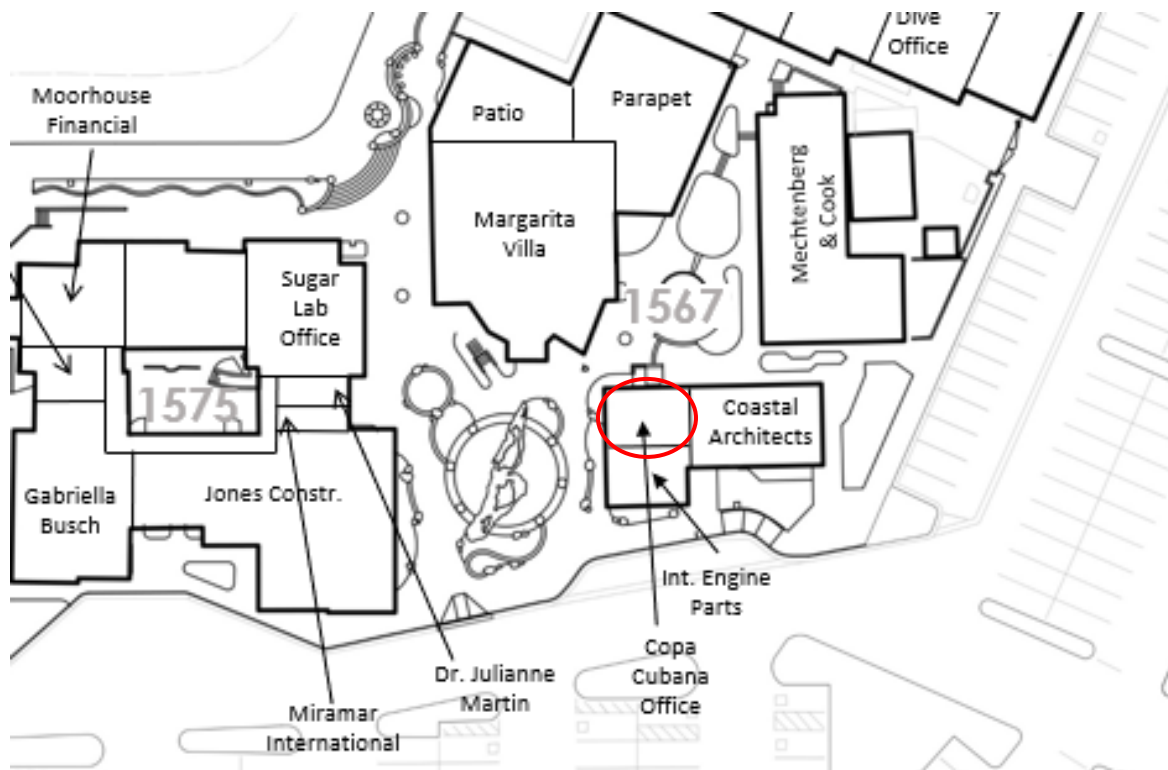
Although there is no outstanding balance at this time, the lease is terminating 16 months prematurely. Staff does not have a new tenant identified at this time; however, the District maintains a Village interest list and paid advertising. While identifying a new tenant is not anticipated to take long, there will be a short-term loss of rental revenue from the suite until a new lease is approved.

**ATTACHMENTS:**

Attachment 1 – Location Map



Attachment 1 – Location Map





BOARD OF PORT COMMISSIONERS  
APRIL 19, 2023

CONSENT AGENDA ITEM E  
APPROVAL OF NEW RETAIL LEASE  
AGREEMENT WITH TINA O'BRIEN DBA  
MERMAID GALLERY

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM E**  
Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Sr. Business Operations Manager  
SUBJECT: Approval of New Retail Lease Agreement with Tina O'Brien dba Mermaid Gallery

---

**RECOMMENDATION:**

That the Board of Port Commissioners approve a new Retail Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Tina O'Brien dba Mermaid Gallery for the premises located at 1575 Spinnaker Drive #107B consisting of a total of 652 square feet for a three-year term with one two-year option.

**SUMMARY:**

The existing tenant Tina O'Brien dba Mermaid Gallery is seeking to renew the lease for their retail suite at Ventura Harbor Village commencing June 1, 2023.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.

**5-YEAR OBJECTIVES:**

- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
- 3) Leasing/Property Management

**BACKGROUND:**

Tina O'Brien dba Mermaid Gallery has been a successful tenant of Ventura Harbor Village since 2016. As a tenant in good standing and with the suite not requiring any improvements, staff is recommending a renewal of the lease.

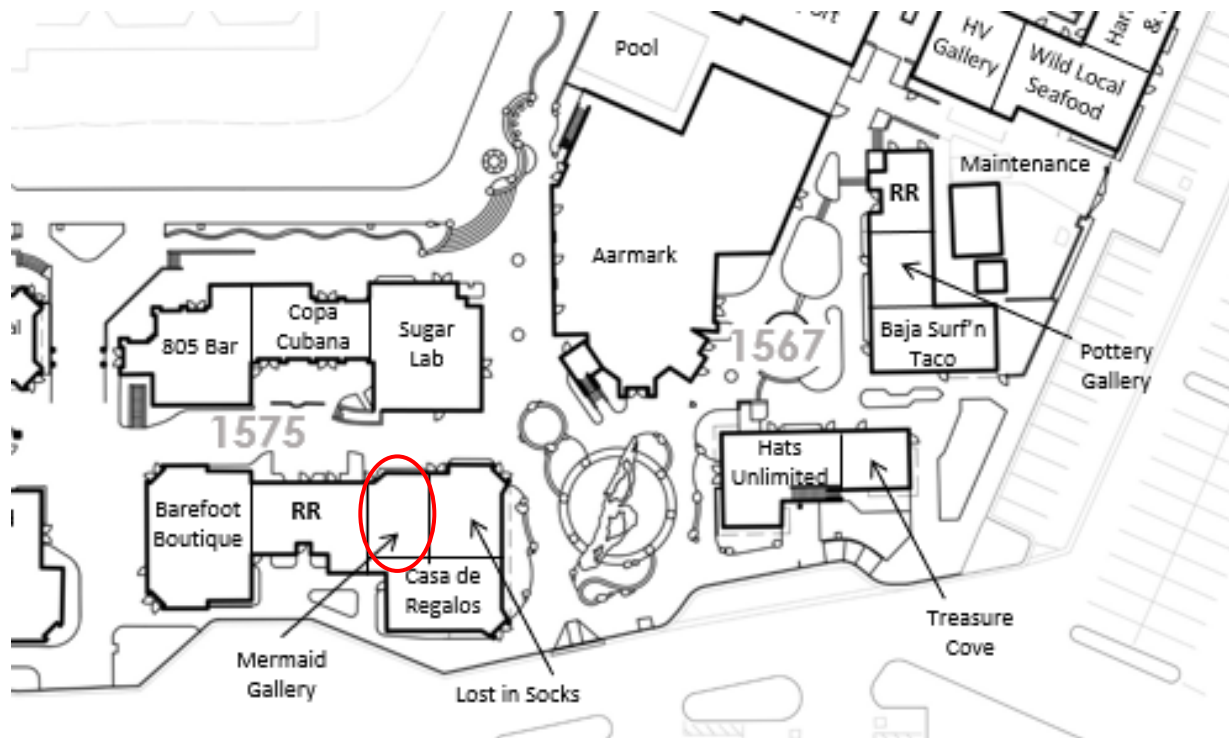
**FISCAL IMPACT:**

This lease reflects regular market rate for retail rent at Ventura Harbor Village with annual increases. No improvements were required for the lease renewal.

**ATTACHMENTS:**

Attachment 1 - Location Map

Attachment 1 – Location Map





**BOARD OF PORT COMMISSIONERS  
APRIL 19, 2023**

**CONSENT AGENDA ITEM F  
APPROVAL OF NEW RETAIL LEASE  
AGREEMENT WITH ANNE TRAINOFF DBA  
SILHOUETTES BY THE BEACH**

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM F**  
Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Sr. Business Operations Manager  
SUBJECT: Approval of New Retail Lease Agreement with Anne Trainoff dba Silhouettes by the Beach

---

**RECOMMENDATION:**

That the Board of Port Commissioners approve a new Retail Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Anne Trainoff dba Silhouettes by the Beach for the premises located at 1559 Spinnaker Drive #103 consisting of a total of 400 square feet for a two-year term with one two-year option.

**SUMMARY:**

The existing tenant Anne Trainoff dba Silhouettes by the Beach is seeking to relocate to a smaller suite to continue operating her hair salon at Ventura Harbor Village commencing April 20, 2023.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.

**5-YEAR OBJECTIVES:**

- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
- 3) Leasing/Property Management

**BACKGROUND:**

Anne Trainoff dba Silhouettes by the Beach has been a successful tenant of Ventura Harbor Village since 2010. The business originally started at 1559 Spinnaker Drive #103 and in 2015 relocated to a larger space at 1591 Spinnaker Suite #117. Changes in the industry have made the current space larger than required and the tenant has requested consideration of relocating back to her original space, which is currently vacant. The tenant will continue operating at its existing location until the new location is ready (anticipated June 1, 2023).

As a tenant in good standing and with the suite not requiring any improvements by the District, staff is recommending this new lease.

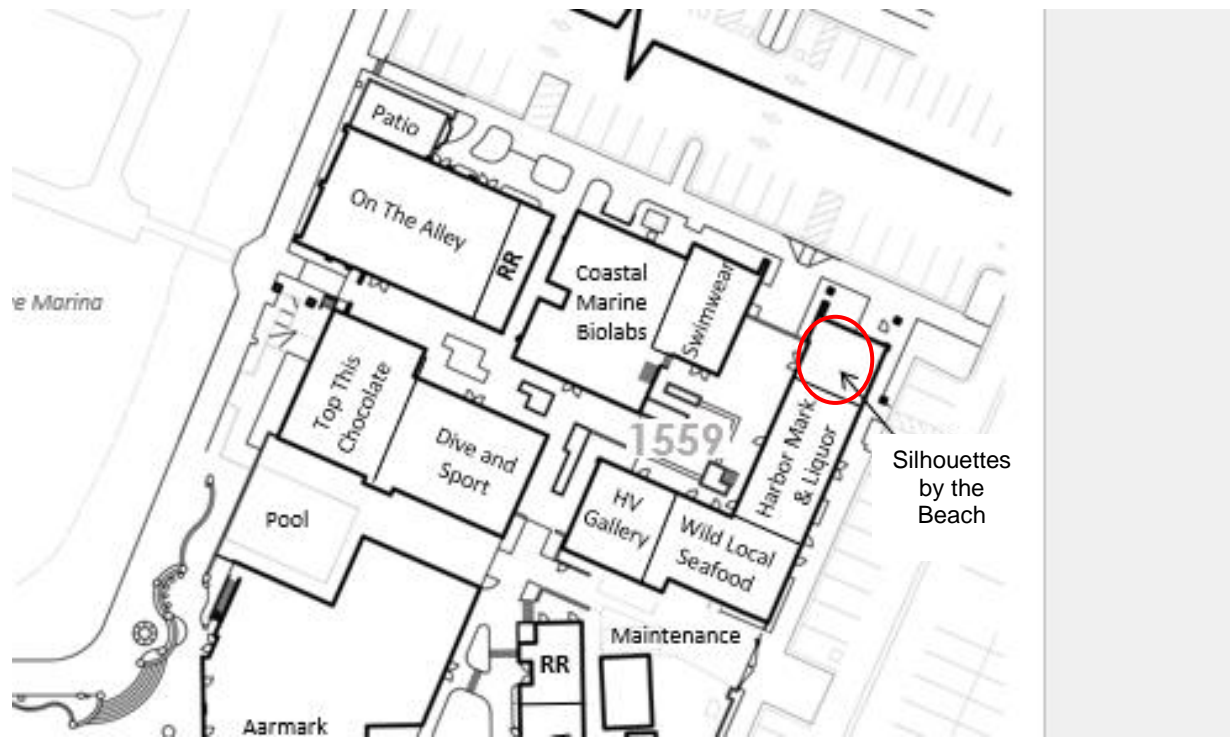
**FISCAL IMPACT:**

There will be no charge to the tenant for the new space while it is being prepared by the tenant for use (anticipated ready June 1). This lease reflects regular market rate for retail rent at Ventura Harbor Village with annual increases. No improvements were required by the District for the new lease.

**ATTACHMENTS:**

Attachment 1 - Location Map

Attachment 1 – Location Map







# BOARD OF PORT COMMISSIONERS APRIL 19, 2023

## STANDARD AGENDA ITEM 1 ACCEPTANCE OF FISCAL YEAR 2021-2022 AUDIT

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 1**  
Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Gloria Adkins, Accounting Manager  
SUBJECT: Acceptance of Fiscal Year 2021-2022 Audit

---

**RECOMMENDATION:**

That the Board of Port Commissioners accept the Basic Financial Statements and Supplementary Information with Independent Auditor's Report for the Year Ended June 30, 2022, prepared by Clifton Larson Allen, LLP.

**SUMMARY:**

Attached for the Board's review and acceptance is the annual audit of the District's financial statements for fiscal year ending June 30, 2022.

Nitin Patel, principal with Clifton Larson Allen, LLP (CLA), will present information to the Board and answer any inquiries you may have.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 6) Provide exceptional public service and organizational transparency.

**5-YEAR OBJECTIVES:**

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures, and programs.
  - 1) Collaborate with business partners and stakeholders through increased engagement, communication, and participation.
- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
  - 5) Financial Reporting

**BACKGROUND:**

The District entered into a professional services agreement with Clifton Larson Allen, LLP (CLA) on October 24, 2022, for the audit of the District's financial records for the fiscal year ending June 30, 2022.

CLA began their field work on the fiscal year 2021-2022 audit in January 2023. The final audit report was completed on April 12, 2023. The audit process was delayed pending the District's completion of the adoption of Government Accounting Standards Board (GASB) Statement No. 87, Leases.

Mr. Patel reported that the District's financial statements fairly present the financial position of the District as of June 30, 2022, in all material respects.

He also reported that they did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses. A material weakness is defined as a

deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis.

Staff would like to thank Commissioner Rainey for his time and input during this audit process.

**FISCAL IMPACT:**

The audited Statement of Net Position at June 30, 2022 is \$27,900,801. This is an increase of 19.9% over the June 30, 2021 Net Position of \$23,262,651. The approved budgeted cost for the Fiscal Year 2021-2022 audit is \$42,735.

**ATTACHMENTS:**

Attachment 1 – Final 2022 Audit Communication Letter

Attachment 2 – Final 2022 Financial Audit

Attachment 3 – Final 2022 Management's Representation Letter



CliftonLarsonAllen LLP  
CLAconnect.com

The Board of Port Commissioners  
Ventura Port District  
Ventura, California

We have audited the financial statements of the Ventura Port District (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated April 12, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated October 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Ventura Port District are described in Note 1 to the financial statements.

As described in Note 1, the District changed accounting policies related to leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, effective July 1, 2021. Accordingly, the accounting change has been applied to the beginning of the period of adoption.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The annual required contributions, pension expense, net pension liability, and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plan with CALPERS are based on an actuarial valuation provided by CALPERS.
- The OPEB expense, OPEB liability, and the corresponding deferred outflows of resources and deferred inflows of resources for the District's defined benefit OPEB plan is based on certain actuarial assumptions and methods prepared by an outside consultant.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

The Board of Port Commissioners  
Ventura Port District  
Page 2

*Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the defined pension plans in Note 3C to the financial statements.
- The disclosure of the other postemployment benefits plan in Note 3D to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Circumstances that affect the form and content of the auditors' report***

As previously communicated to you, the report was modified to include an emphasis of matter paragraph for the change in accounting related to the District's adoption of GASB Statement No. 87. Our opinion is not modified with respect to this matter.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated April 12, 2023.

The Board of Port Commissioners  
Ventura Port District  
Page 3

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

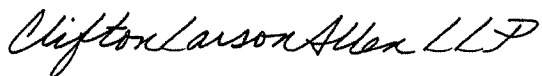
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

\* \* \*

This communication is intended solely for the information and use of the Board of Directors and management of Ventura Port District and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Irvine, California  
April 12, 2023

**VENTURA PORT DISTRICT  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)



ATTACHMENT 2

VENTURA PORT DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	20
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	22
STATEMENT OF CASH FLOWS	23
NOTES TO FINANCIAL STATEMENTS	25
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – CALPERS MISCELLANEOUS PENSION PLAN	56
SCHEDULE OF PLAN CONTRIBUTIONS – CALPERS MISCELLANEOUS PENSION PLAN	58
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY – CALPERS SAFETY PENSION PLAN	60
SCHEDULE OF PLAN CONTRIBUTIONS – CALPERS SAFETY PENSION PLAN	62
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS	64
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	65



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of Port Commissioners  
Ventura Port District  
Ventura, California

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of the Ventura Port District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter - Change in Accounting Principle**

As described in Note 1 to the financial statements, effective July 1, 2021, the District adopted new accounting guidance, GASB No. 87, *Leases*. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## ATTACHMENT 2

Board of Port Commissioners  
Ventura Point District

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Port Commissioners  
Ventura Point District

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability, the schedules of plan contributions, and the schedule of changes in total other postemployment benefits liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
April 12, 2023

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

It is our pleasure to submit the Ventura Port District's (the Port District) Management's Discussion and Analysis (MD&A) for the fiscal year ended June 30, 2022. This report was prepared pursuant to the guidelines set forth by the Government Accounting Standards Board (GASB) and sets forth an overview of the Port District's financial activities and performance for the fiscal year ended June 30, 2022. This analysis should be read in conjunction with the audited financial statements that follow this section.

Port District staff prepared this financial report in conjunction with an unmodified opinion issued by the independent audit firm CLA (Clifton Larson Allen LLP). This report consists of management's representations concerning the finances of the Port District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

#### **District Structure and Leadership**

The Port District was established in April 1952 for the purpose of acquiring, constructing, and operating a commercial and recreational boat harbor now known as the Ventura Harbor. The Port District was formed as per Sections 6200 to 6372 of the Harbor and Navigation Code of the state of California. The Port District's legal boundaries encompass all of the City of San Buenaventura as well as some small areas outside the City limits. Construction was completed and Ventura Harbor commenced operations in June 1963.

Other than the 2.74 acre site owned by the Department of Interior, National Park Service, the Port District is the sole landowner within this multiple use harbor, with current property holdings of approximately 152 acres of land and 122 acres of water area, initially developed in the early 1960s. The Ventura Harbor is home to many diverse businesses such as marinas for recreational and commercial vessels, commercial fishing offloading facilities, boat charters, a mobile home park, two hotels, a time share, harbor front luxury apartments, public launch ramp, two fuel stations, two full-service boatyards, and a mixed-use shopping center with boutique shops, restaurants, and office spaces.

The Port District is governed by a five-member Board of Port Commissioners, appointed by the City Council of the City of San Buenaventura, serving four-year terms without compensation. Below are the Commissioners on June 30, 2022:

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

#### **Mission Statement**

The Ventura Port District is committed to providing a safe harbor that is an inviting inclusive seaside destination and gateway to the Channel Islands National Park, with exceptional facilities for fishers, boaters, residents, and visitors.

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

#### **Financial Highlights**

The Port District provides public services such as Harbor Patrol and a public launch ramp, which are traditionally associated with a port district. The Port District also contracts with the State Parks system for lifeguard services from May through September for approximately \$136,802. In addition, the Port District offers long term ground leases (50 years) on certain parcels for private use such as hotels, apartments and timeshares, marinas, boatyards, yacht clubs, and a mobile home park. The Port District is also the owner/operator of Ventura Harbor Village, a 32.67-acre shopping center, office, boat charter and marina complex located in the harbor with a strong commercial fishing industry.

- The Port District's net position on June 30, 2022 increased 19.9% to \$27,900,801.
- Total revenues increased 20.8% to \$13,724,759 during the fiscal year.
- Total expenses decreased 10.8% to \$9,086,609 during the fiscal year.

The Government Accounting Standards Board (GASB) issued Statement 87 for lease accounting with the objective of enhancing transparency through the recognition of lease-related assets and liabilities on the statement of net position. GASB Statement 87 (GASB87) creates a model for lease accounting based on the principle that leases are financings of the right to use an asset. It changes the method for accounting lease assets and liabilities to enhance relevance and consistency of information about government agencies' leasing activities. In essence, the new standard recognizes not only revenue and expenses in a given year, but also recognizes the deferred inflow of resources (income) and liabilities (expenses) for the entire period of a lease.

The Port District adopted GASB87 for Lease Accounting effective July 1, 2021 which creates some notable changes in the District's financial statements for the 21-22 fiscal year. However, these changes are really recognition of leases receivable and the deferred inflow of resources for lessor leases and a right-to-use asset and lease liability for lessee leases with a period of more than twelve months. The following narrative identifies where GASB87 protocols have affected the financial statements.

#### **Overview of the Basic Financial Statements**

The Port District's basic financial statements are comprised of three components: Financial statements, notes to the basic financial statements, and required supplementary information. The financial statements consist of the following:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

The Port District's activities are accounted for in an enterprise fund. Enterprise funds are operated in a manner similar to private business in that the majority of the Port District's revenues are generated through leases, fees, and services to the public. These revenues are used to cover all operations, financing and infrastructure needs in the harbor.

#### **The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position**

The Statement of Net Position includes all of the Port District's investments in resources (assets) and the obligations to creditors (liabilities). The difference between the Port District's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is reported as net position.

# ATTACHMENT 2

## VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Port District is improving or declining. The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Port District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recognized on the accrual basis.

### Statement of Net Position

The following condensed financial information provides an overview of the Port District's financial position as of June 30, 2022 and 2021:

SUMMARY OF NET POSITION JUNE 30, 2022 AND 2021				
	2022	2021	Increase (Decrease)	
			Amount	Percent
<b>ASSETS</b>				
Current Assets	\$ 17,132,009	\$ 10,277,521	\$ 6,854,488	66.7 %
Restricted Assets	3,196,927	3,188,064	8,863	0.3
Noncurrent Assets	47,541,364	-	47,541,364	100.0
Capital Assets, Net	29,904,341	29,610,370	293,971	1.0
Total Assets	97,774,641	43,075,955	54,698,686	127.0
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	1,347,934	1,299,820	48,114	3.7
Total Assets and Deferred Outflows of Resources	99,122,575	44,375,775	54,746,800	123.4
<b>LIABILITIES</b>				
Current and Other Liabilities	5,550,322	6,962,294	(1,411,972)	(20.3)
Long-Term Debt Obligations	12,778,039	13,947,021	(1,168,982)	(8.4)
Total Liabilities	18,328,361	20,909,315	(2,580,954)	(12.3)
<b>DEFERRED INFLOWS OF RESOURCES</b>	52,893,413	203,809	52,689,604	25852.4
Total Liabilities and Deferred Inflows of Resources	71,221,774	21,113,124	50,108,650	237.3
<b>NET POSITION</b>				
Net Investment in Capital Assets	16,628,293	15,831,519	796,774	5.0
Restricted Assets	3,196,927	3,188,064	8,863	0.3
Unrestricted Assets	8,075,581	4,243,068	3,832,513	90.3
Total Net Position	\$ 27,900,801	\$ 23,262,651	\$ 4,638,150	19.9



## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

The Port District's net position on June 30, 2022 is \$27,900,801. This is an increase of \$4,638,150 from the net position on June 30, 2021 of \$23,262,651.

Key changes in the statement of net position are as follows:

#### *Assets*

Current assets increased \$6,854,488 for fiscal year 2022 to \$17,132,009 due to the net effect of an increase from normal operations for the year, the implementation of the GASB87 lease accounting standards and offset by the purchase of capital assets and equipment. GASB87 requires a lessor to recognize a lease's total potential receivable as well as a deferred inflow of resources, thereby enhancing the relevancy and consistency of information about governments leasing activities. \$3,571,457 of this increase reflects the current lease receivable portion of the total tenant lease receivable.

Noncurrent assets increased \$47,541,364 for fiscal year 2022 to \$47,541,364. This significant increase is a direct result of implementing GASB87 Lease Accounting changes effective 7/1/2021 for tenant leases. This \$47,541,364 increase reflects the long-term lease receivable portion (i.e. future rent) of the total tenant lease receivable.

The capital assets increased \$293,971 during fiscal year 2022 to \$29,904,341. This was the net effect of infrastructure renovations, equipment purchases, and the recording of 'right of use' assets offset by asset retirements and the annual amortization of the depreciation expenses. The capital assets are discussed in more detail later in this report.

Deferred outflows of resources increased by \$48,114 to \$1,347,934. This increase was the net effect of the change in value from items listed below that are required to be reported in this category.

- The expensing of annual amortization on the deferred amounts on bond refunding that resulted from the difference in the carrying value of refunded debt and its reacquisition price.
- Deferred outflow related to pensions and OPEB to reflect the employer contributions made after the measurement date of the net pension and OPEB liabilities applicable to the current audit year. The new value will be recognized as a reduction of the net pension liability and total OPEB liability in the next fiscal year.
- Deferred outflow related to pensions to reflect the difference between the actual and the expected experience value of the pension amortized over a closed period equal to the average expected remaining service lives of all employees that are provided the pension.
- Deferred outflows related to OPEB resulting from changes in assumptions used to determine annual retiree healthcare benefits. These values are amortized over a closed period equal to the expected remaining service lives for all employees that are provided retiree healthcare benefits through the OPEB plan.
- Deferred outflow related to pensions for the differences between the employer's contributions to the plan and the employers proportionate share of contributions as determined by GASB.

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

#### *Liabilities*

Current & other liabilities decreased \$1,411,972 to \$5,550,322. This decrease is primarily the net effect of a couple of large increases and decreases in the categories discussed below:

- There was an increase of \$47,340 in accounts payable. This increase was due primarily to an increase of capital project progress payment requests for work completed in June that was schedule to be paid to the vendor July.
- There was an increase of \$633,561 in leases payable. This increase is a direct result of implementing GASB 87 Lease Accounting changes effective 7/1/2021. GASB87 requires a lessee to recognize a lease liability and an intangible right-to-use lease asset thereby enhancing the relevancy and consistency of information about governments leasing activities. This change reflects the current liability portion of \$93,964 and the long-term liability portion of \$539,597.
- There was a decrease of \$174,371 in unearned revenues. These revenues were included in the GASB87 tenant lease calculation and thereby rolled into deferred inflows for tenant lease revenue.
- There was a decrease of \$2,062,120 in pension liabilities offset by an increase of \$123,439 in OPEB liabilities. CalPERS prepares a guide for public agencies reflecting the methodology and pension amounts to be used for GASB 68 pension reporting and GASB 75 OPEB reporting. Many factors and assumptions as described in the deferred inflows and outflows resulted in an increase of these liabilities.

Long-term debt obligations decreased \$1,168,982 to \$12,778,039. The change in long-term debt will be discussed later in this report.

Deferred inflows of resources were increased by \$52,689,604. This increase was primarily due to the net effect of the change in value of items to be reported in this category due to GASB87, as related to tenant leases, pensions, and OPEB.

- Increase of \$50,918,408 in deferred inflows related to tenant leases as per GASB87 lease accounting implementation. GASB87 requires a lessor to recognize a lease receivable and a deferred inflow of resources. This \$50,918,408 increase reflects the deferred inflows of resources for tenant leases.
- Deferred inflows related to OPEB for the difference between the actual and the expected experience value amortized over a closed period equal to the average expected remaining service lives for all employees that are provided with retiree healthcare benefits through the OPEB plan.
- Deferred inflows related to pensions and OPEB resulting from changes in assumptions used to determine annual pension liabilities and OPEB liabilities. The value is amortized over a closed period equal to the expected remaining service lives for all employees that are provided pensions through the pension plan and retiree healthcare benefits through the OPEB plan.

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

- Deferred inflows related to pensions for the changes in the employer's proportion and differences between the employer's contribution to the plan and the employer's proportionate share of contributions as determined by GASB.
- Deferred inflows related to pensions resulting from the net difference between projected and actual earnings on plan investments of the pensions plans fiduciary net position. These amounts are amortized over five years.

#### *Net Position*

Net investment in capital assets increased \$796,774 to \$16,628,293. This increase is the net effect of the increase in capital assets as explained previously (the net effect of infrastructure renovations and equipment purchases offset by asset retirements and the annual amortization of the depreciation expenses) being reduced by the annual principal payment on the related debt which in-turn reduced the amount of debt being netted against the capital assets.

Assets that are invested in capital assets, net of related debt, represent land, land improvements, construction in progress, harbor improvements, leasehold improvements, buildings, and equipment as reduced by the related debt service. The Port District uses these assets to provide facilities and services to the public.

The restricted assets in the Net Position grouping increased \$8,863 due to an increase in the fisheries improvement reserve fund. Restricted assets are subject to external restrictions on how they may be used. As of June 30, 2022, there is \$3,000,000 restricted for dredging activity as required by the Ellison Judgment and a balance of \$196,927 in the restricted fisheries improvement reserve.

Unrestricted assets may be used to meet the Port District's on-going obligations.

# ATTACHMENT 2

## VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

### Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes the Port District's operations for fiscal years 2022 and 2021:

#### SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEARS ENDED JUNE 30, 2022 and 2021

	2022	2021	Increase (Decrease)	
			Amount	Percent
REVENUES				
Operating Revenues	\$ 10,202,903	\$ 9,483,679	\$ 719,224	7.6 %
Nonoperating Revenues	3,521,856	1,881,907	1,639,949	87.1
Total Revenues	<u>13,724,759</u>	<u>11,365,586</u>	<u>2,359,173</u>	20.8
EXPENSES				
Operating Expenses				
Before Depreciation	7,326,613	8,423,582	(1,096,969)	(13.0)
Depreciation	1,297,929	1,122,137	175,792	15.7
Nonoperating Expenses	462,067	635,411	(173,344)	(27.3)
Total Expenses	<u>9,086,609</u>	<u>10,181,130</u>	<u>(1,094,521)</u>	(10.8)
CHANGE IN NET POSITION	4,638,150	1,184,456	3,453,694	291.6
Net Position, Beginning of Year	<u>23,262,651</u>	<u>22,078,195</u>	<u>1,184,456</u>	5.4
NET POSITION, END OF YEAR	<u>\$ 27,900,801</u>	<u>\$ 23,262,651</u>	<u>\$ 4,638,150</u>	19.9

### *Revenues*

Total revenues increased 20.8% in fiscal year 2022 to \$13,724,759. This represents a \$2,359,173 increase over fiscal year 2021 revenues of \$11,365,586. This increase was attributed to a number of factors:

Operating revenues increased \$719,224 due to the net effect of the following primary factors:

- The master tenant revenues decreased \$182,482. This decrease is the net effect of several factors:
  - There was a decrease reflected for onetime lease assignment fees and appreciation rents of \$912,209 that were received in FY20-21 that were not repeated in FY21-22.
  - There were increases in percent rents in FY21-22 generated from tenant sales. Sales for public serving tenants such as hotels and restaurants picked up with the lifting of the COVID19 restrictions and the master tenant private marinas implemented slip rate increases.
  - Portside Ventura Harbor continued to show occupancy growth until they stabilized around December 2021 thereby increasing revenue for the tenant and percent rent to the District.

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

- A decrease was also reflected in the recording of the GASB87 lease accounting amortization *calculations* for financial lease accounting. A portion of the tenant revenues have been reclassified as tenant interest income. This calculation reduced rent revenues and increased tenant interest income.
- Ventura Harbor Village tenant lease revenues increased \$144,636. This increase is the net effect of increases from normal escalations, increases in tenants' sales, and the implementation of GASB87 lease accounting:
  - There were increases in percent rents in FY21-22 generated from tenant sales. Business picked up for most tenants with the lifting of the COVID19 restrictions.
  - There was a decrease in Village revenues from the recording of the GASB87 lease accounting *amortization* calculations for financial leases. A portion of the tenant revenues were reclassified as tenant interest income. This calculation reduced rent revenues, but it reflects an increase in the tenant interest income category.
- Commercial Fishing rent increased \$124,868 in FY21-22. This is directly related to a decent squid season reflecting in an increase in the squid fish offloading revenue in FY21-22. The prior year reflected a very slow squid season.
- Ventura Harbor Village slip revenues increased \$201,947 in FY21-22. This was due to increases in occupancy during the height of the squid season, more marina tenants signing on for full year occupancy, and the implementation of slip rate increases. In prior years, many vessels were turned away because the Dockmasters could not accurately predict a slip's availability resulting in missed opportunities. New marina reservation software was implemented to help manage slip availability. The system also better tracks recapturing electrical utility usage for slip tenant billing.
- Charter revenues increased \$151,273 in FY21-22 over the FY20-21 revenues of \$334,232. COVID19 vessel occupancy restrictions ended which enabled the charter companies to resume business with full occupancy during FY21-22.
- Tenant reimbursements increased \$152,391 in FY21-22. The prior year's income, FY20-21, was reduced as part of a COVID19 rent abatement program for qualifying tenants. The abatement program ended on 6/30/2021. The tenant reimbursements for FY21-22 went back to normal with a normal annual escalation in reimbursement fees.

Nonoperating revenues increased \$1,639,949 due to the net effect of a number of factors:

- The Port District's pro-rata share of Ventura County property taxes increased \$71,079. This revenue has been increasing 4% to 6% per year based on the housing market.
- Investment income increased \$649,079. This was the net effect of an increase in tenant interest income offset by a loss created from recording the fair market value change in the LAIF investments.

## ATTACHMENT 2

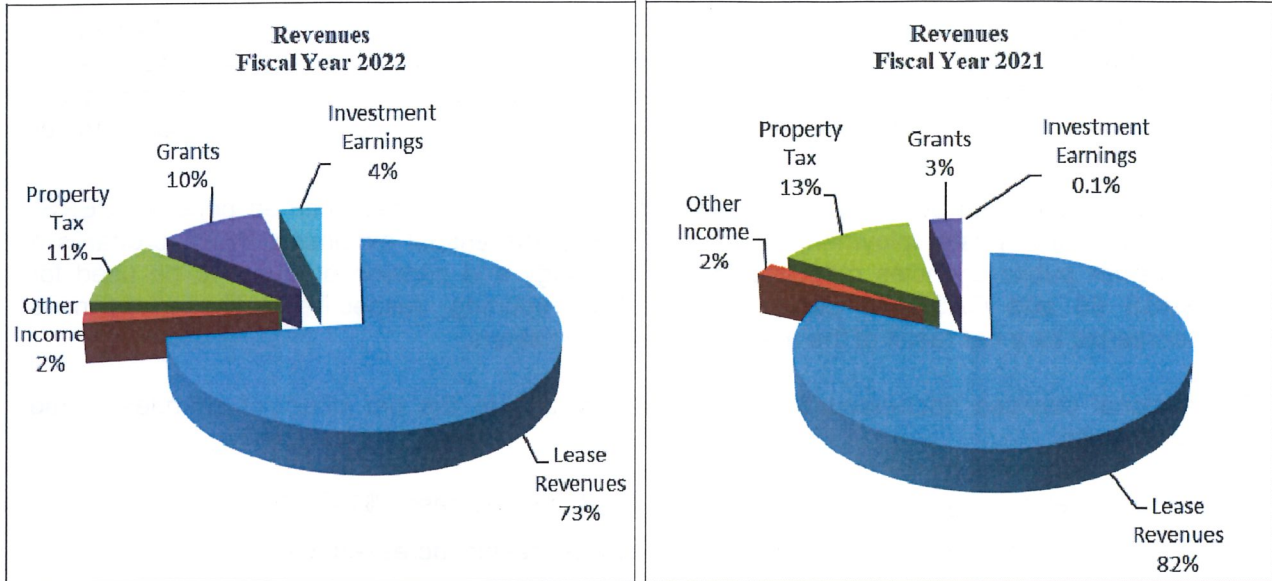
### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

- There was an increase in tenant interest income from the recording of the GASB87 lease accounting amortization calculations. A portion of the tenant revenues were reclassified as tenant *interest* income. This calculation reduced rent revenues and increased the tenant interest income category.
- The Port District's funds are invested with Local Agency Investment Funds (LAIF). The change in the fair market value factor from 6/30/2021 to 6/30/2022 was such that a reduction of \$189,717 was recorded against interest income earned of \$31,952.
- Intergovernmental grants increased \$919,788 in FY21-22 over the FY20-21 grant income of \$396,866 for a total of \$1,316,654. This increase is primarily the net effect of new grants from the State Lands Commission offset by the completion of the State of California Coastal Conservancy grant and the completion of a coop agreement with the City of Ventura:
  - State Lands Commission approved Port Stimulus Funds to be paid out of the State's General *Fund* to Ports and Harbors. The District received \$1,215,084 from these funds in three disbursements.
  - The State of California Coastal Conservancy grant for improvements to the commercial fisherman's gear storage facility and the procurement of a second derrick crane located on the *Ventura* Harbor Village fish pier for the use of commercial fishing vessels completed in FY21-22. \$255,337 of this grant was earned during FY20-21, with the remaining \$63,263 being earned in FY21-22. This grant is now complete.
  - The Port District entered into a Coop Agreement with the City of Ventura (the City) for inner harbor dredging in the channel leading into the Ventura Keys. The clearing of this channel is the responsibility of the Port District and the City. The City's pro-rata share of this expense renegotiated to be \$75,749. This dredging was not necessary in fiscal year 21-22.

The following two charts show a comparison of revenues by source for each year. These charts give a clear example of the importance of lease tenants followed by the need for property tax revenues. The Port District's pro-rata share of property tax revenues are allocated towards the funding of our Harbor Patrol department.

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022



#### *Expenses*

The expenses for fiscal year 2022 decreased 10.8% to \$9,086,609. This is a decrease of \$1,094,521 from the fiscal year 2021 expenses of \$10,181,130. This decrease is attributed primarily to the net effect of the following factors:

Operating expenses before depreciation decreased \$1,096,969 due primarily to the net effect of changes in these categories:

- Administration expenses decreased \$53,013 from the prior year primarily due to the net effect of the following factors:
  - Conferences and training increased \$22,450. With the lifting of the COVID19 pandemic restrictions, many organizations transitioned back to in-person conferences, training, and meetings.
  - Subscriptions increased \$36,884 due to the transition to cloud-based software subscriptions such as MOLO marina software to maintain the Harbor Village Marina accounting and the Dry Storage space accounting.
  - Bad debt expense decreased \$114,543 in FY21-22. Most of the tenants in the Harbor were able to recover from the pandemic during FY21-22 thereby allowing for a reduced bad debt allowance.
- Salaries and benefits decreased \$489,983 compared to prior year due to the following factors:
  - Salaries increased \$109,218 (4%) over FY20-21 due to normal annual salary increases.



## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

- Benefits from normal PERS contributions increased \$55,600 due to the net effect of an increase of \$50,052 in the PERS Unfunded Annual Liability (UAL), an increase in contributions based on normal salary increases for the year offset by a decrease in the employer's normal contribution rates for Miscellaneous Classic and PEPRA members for FY21-22.
- Benefits decreased \$663,120 as a result of the GASB mandated accrued pension (PERS) plan and other postemployment benefits (OPEB) plans annual expenses. PERS prepares a guide for public agencies reflecting the methodology and pension amounts to be used for GASB 68 and GASB 75 pension and OPEB reporting, respectively. These expenses decreased as a net result of the annual liability calculations.
- Professional services decreased \$396,191 primarily due to the net effect of changes in the following areas:
  - Professional and legal services pertaining to litigations decreased \$138,716.
  - Professional and legal services pertaining to Village leasing increased \$30,235.
  - Professional and legal services pertaining to master tenants leasing decreased \$24,440.
  - Professional services pertaining to security at Harbor Village decreased \$18,180. It was not necessary to supplement the Courtesy Dockmaster shifts with outside security after the COVID19 pandemic restrictions were lifted.
  - Professional and legal services pertaining various issues decreased \$35,870. This reduction encompasses many one-time smaller issues.
  - Professional and legal services pertaining to the Ventura Shellfish Enterprise (VSE) project for aquaculture in Federal waters for the future growing of Mediterranean mussels decreased \$186,484. This decrease was due to the winding down of this grant project in fiscal year 2021. The grant terminated 8/31/2021 and the project finalized 12/31/2021.
  - Professional services pertaining to aquaculture, not grant related, increased \$61,920.
  - Professional and legal services pertaining to employment issues decreased \$84,656.

Depreciation expense increased \$175,792 due to the amortization of new and existing capital assets over their estimated useful life and as a result of recording GASB87 lease accounting amortization expense for right of use assets. GASB87 requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. As a result, the rental expense of the Ventura Harbor Fishing Storage facility and other equipment rentals are reclassified through the recording of accumulated depreciation and depreciation expense for right-of-use assets.

- Repairs and maintenance increased \$157,797 for fiscal year 2022. This increase is primarily the net effect of the following factors:
  - Outside services increased \$21,721 for engineering services not directly identified with a capital project.

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

- Building tenant improvements increased \$86,811 for improvements to the National Park Service building and offices located at 1431 Spinnaker Drive.
- Grounds maintenance increased \$54,332 primarily for slurry coating of parking lots. This maintenance was not required in FY20-21.
- Harbor dredging decreased \$246,305 for FY21-22 as it was not necessary to perform inner harbor dredging of the stub channel at the entrance to the Keys housing track. This dredging is performed every three years or so depending on weather and sediment conditions. Some residents of the Keys have access to private slips outside their homes in channels that lead out to the ocean. The City reimburses the Port District for their pro-rata share of the expense to keep the passage safe and navigable.

The Other expense category decreased \$175,967 primarily due to the net effect of the following factors:

- Judgement settlements decreased \$37,500 as this was a onetime expense in FY20-21.
- There was a decrease \$64,456 in this category because the seasonal décor expenses were reclassified as Marketing expenses.
- An increase of \$22,810 in the agreement with State Parks for summer lifeguard services at Surfers Knoll and Harbor Cove beaches.

Nonoperating expenses decreased \$173,344 due to the net effect of a decrease of \$53,439 in debt issuance costs as this was a onetime expense in FY20-21, a decrease in interest expense as a result of the 2021 Refunding Installment Purchase Contract debt to reduce the interest expense and a decrease of \$83,235 for the onetime loss on the disposition of capital assets in FY20-21.

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

The Port District's capital assets, net of accumulated depreciation, totaled \$29,904,341 on June 30, 2022. This is an increase of \$293,971 over the June 30, 2021, balance of \$29,610,370. This increase is due to the net effect of new infrastructure improvements, the purchase of equipment, and the recording of 'right of use' assets offset by asset dispositions and the current year's depreciation expense.

# ATTACHMENT 2

## VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

The capital assets include land, harbor, building and leasehold improvements, equipment, and construction in progress. The following table shows the change in capital assets for fiscal years 2022 and 2021.

### CAPITAL ASSETS, NET YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021	Increase (Decrease)	
			Amount	Percent
Land	\$ 2,342,629	\$ 2,342,629	\$ -	0.0 %
Buildings And Structures	29,490,051	28,992,669	497,382	1.7
Harbor Improvements	14,546,636	14,546,636	-	0.0
Equipment	2,030,553	1,767,289	263,264	14.9
Right of Use Assets	723,954	-	723,954	100.0
Construction In Progress	702,687	610,517	92,170	15.1
Total	49,836,510	48,259,740	1,576,770	3.3
Less: Accumulated Depreciation	(19,932,169)	(18,649,370)	(1,282,799)	6.9
Total Capital Assets	<u>\$ 29,904,341</u>	<u>\$ 29,610,370</u>	<u>\$ 293,971</u>	1.0

Major improvement projects and equipment purchases in fiscal year 2022 were as follows:

- Completed construction of a new ADA compliant trash enclosure on the parking lot located near 1575 Spinnaker Drive building in the Ventura Harbor Village.
- Completed design of two more ADA parking lot trash enclosures located near 1559 and 1691 Spinnaker Drive buildings in the Ventura Harbor Village parking lot. Project bid was accepted October 2022.
- Completed design of ADA renovations on three sets of restrooms in the Ventura Harbor Village located at 1567, 1575, and 1691 Spinnaker Drive. Project bid was accepted October 2022.
- Continue roof replacements/repairs on the 1567 Spinnaker Drive cluster of buildings in the Ventura Harbor Village. Building A is complete, Buildings B & C are in progress.
- Painting of the Ventura Port District headquarters building.
- Completed the derrick crane fabrication and installation on the Harbor Village Fish Pier in August 2021. This expense was covered through a grant from the State of California Coastal Conservancy.

Major commitments in FY22-23 include the continuation of the roof repairs in Ventura Harbor Village and continuing the ADA renovations of additional public restrooms and trash enclosures located in Ventura Harbor to be completed over the next couple of years.

## ATTACHMENT 2

### VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022

Additional information on the Port District's capital assets can be found in Note 2(c) of the basic financial statements.

#### Debt Administration

The Port District's long-term debt balance on June 30, 2022 is \$12,778,039. This is a decrease of \$1,168,982 over the June 30, 2021 balance of \$13,947,021. This decrease is a direct result of the annual paying down of principal on the outstanding balance of all the long-term debt.

The following table summarizes the changes in the Port District's long-term debt obligations as of June 2022 and 2021:

SUMMARY OF LONG-TERM DEBT JUNE 30, 2022 AND 2021				
	2022	2021	Increase (Decrease)	
			Amount	Percent
2016 Refunding Certificates of Participation	\$ 3,689,600	\$ 3,893,900	(204,300)	(5.2) %
2018 Installment Obligation:				
Series A - Tax exempt	1,434,669	1,494,395	(59,726)	(4.0)
Series B - Taxable	2,701,770	2,802,726	(100,956)	(3.6)
2021 Refunding Installment Purchase Contract	4,952,000	5,756,000	(804,000)	(14.0)
Total long-term debt	<u>\$ 12,778,039</u>	<u>\$ 13,947,021</u>	<u>\$ (1,168,982)</u>	(8.4)

Additional information on the Port District's long-term debt can be found in Note 2(e) of the basic financial statements.

#### Economic Outlook

The long-term economic outlook for the Port District is positive, despite new challenges caused by the series of atmospheric river rain events impacting California beginning December 2022 through March 2023. The fiscal year 2023 budget forecasted a 7.5% increase in Harbor-wide revenues and a 7.6% increase in expenses; it is early to predict if the forecast will be accurate, but no significant deviation is anticipated at this time.

Revenue levels at Ventura Harbor Village began to rebound from the COVID19 pandemic for the office, retail, and restaurant categories as rent deferrals and abatements necessitated by governmental restrictions placed on business operations were lifted and business activity largely returned to normal. Most charters were significantly down during the pandemic for the same reason as well as due to temporary shut-down of landings on the Channel Islands for scheduled repairs. This category had also begun to rebound as ferry-boat capacity restrictions have eased. As the owner operator of the Ventura Harbor Village complex, the Port District continues to complete long-term maintenance and infrastructure improvements on the land and waterside to maintain and renovate this 40-year-old complex.

## ATTACHMENT 2

### **VENTURA PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2022**

In December 2018, the Board approved the conceptual design and scope of work for Ventura Harbor Village renovations and completed paint and awning improvements. A master signage program was approved by the City, providing tenants with the necessary templates for new business signs. Several have been installed and more are underway. Construction is wrapping up for tenant wayfinding signage constructed by the Port District.

The Port District also continues to invest in hard infrastructure improvements in Harbor Village with a strong emphasis on ADA access improvements. Multi-year programs for ADA upgrades to restrooms and new trash enclosures that are underway and nearing completion for the entire Village.

District Master tenants make up a significant portion of the District's revenue. These businesses include five marinas, two boatyards, two hotels, a timeshare, a mobile home park, and several other businesses located on those parcels.

The Holiday Inn Express completed construction of 40 new rooms in July 2019. The Four Points by Sheraton began renovations of its existing rooms. However, occupancy is significantly impacted by ongoing construction. While tourism has begun to rebound, it may take some time, possibly a few years, for business travel and meeting business to fully return to normal.

Safe Harbor Marinas (SHM), one of the largest marina operators in the region, was acquired by Sun Communities, Inc. a NYSE publicly traded real estate investment trust (REIT). SHM is completing a significant slip replacement project for VIM Docks G, H, I, L, & M which represents a significant portion of their overall marina. This improvement also includes new dock gates and gangways, parking lot and accessibility improvements. The renovated marina improves the slip sizes and configuration to meet market demands. This improves occupancy levels and increases revenues of the marina. Construction wrapped in summer of 2022.

Portside Ventura Harbor in the northeast harbor area with 270 apartment units, 30 live/work units and 21,000 sq. ft. of commercial space is complete. The apartment units are leased as of June 2022. The minimum annual rental on this project is currently \$300,000. With lease-up of residential complete and lease-up of commercial underway, the Port District's revenue could exceed \$1.2 million per year from this project. There is also a 104-slip marina associated with the project, but that percentage rental to the Port District shall be deferred for a 10-year period as stipulated in the lease.

The Parcel 20 master lease was assigned to Director Marine Holdings (DMH) who began operations in October 2020. DMH began the planning and entitlement stages for a newly constructed marina, and landside improvements which is on track to be considered by the Port District by June 2023. The team is also operating the on-site boatyard. Other active businesses include restaurant, towing, sportfishing, fuel dock services and other boating and recreation related businesses.

The Port District continues to pursue long-term land use options for two sites, Parcels 5 and 8. The City will be updating the General Plan (GP) and the Local Coastal Program (LCP) over the next three years. The Port District will collaborate with the City, tenants, and stake holders to identify land uses as part of these updates.

ATTACHMENT 2

VENTURA PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
YEAR ENDED JUNE 30, 2022

Further, the National Park Service (NPS), who owns and operates the Channel Islands National Park (CINP) Visitor Center, has begun planning for improvements to the existing facility and has expressed interest in collaborating with the Port District to expand visitor-serving uses at the Harbor.

**Requests for Information**

This financial report is designed to provide a general overview of the Port District's finances. If you have questions about this report or need additional financial information, contact the Accounting Manager, at (805) 465-7860 or 1603 Anchors Way Drive, Ventura, CA 93001.

# ATTACHMENT 2

## VENTURA PORT DISTRICT STATEMENT OF NET POSITION JUNE 30, 2022

### ASSETS

#### Current Assets:

Cash and Cash Equivalents	\$ 12,072,285
Restricted Cash and Cash Equivalents	3,196,927
Accounts Receivable, Net	531,471
Due from Other Governments	254,597
Other Receivables	157,289
Prepaid Expenses	483,496
Lease Receivable	3,571,457
Inventories	61,414
Total Current Assets	<u>20,328,936</u>

#### Noncurrent Assets:

Lease Receivable	47,541,364
Capital Assets not being Depreciated	12,950,019
Capital Assets being Depreciated and Amortized, Net	<u>16,954,322</u>
Total Capital Assets	<u>29,904,341</u>
Total Noncurrent Assets	<u>77,445,705</u>
Total Assets	<u>97,774,641</u>

### DEFERRED OUTFLOWS OF RESOURCES

Deferred Amounts on Refundings	171,173
Deferred Amounts from OPEB Plan	236,021
Deferred Amounts from Pension Plans	<u>940,740</u>
Total Deferred Outflows of Resources	<u>1,347,934</u>

See accompanying Notes to Financial Statements.



## ATTACHMENT 2

**VENTURA PORT DISTRICT  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2022**

**LIABILITIES**

Current Liabilities:	
Accounts Payable	\$ 465,692
Interest Payable	174,130
Accrued Liabilities	128,876
Unearned Revenue	117,657
Security Deposits	289,524
Current Portion of OPEB Liability	19,249
Current Portion of Long-Term Liabilities	<u>1,487,473</u>
Total Current Liabilities	2,682,601
Noncurrent Liabilities:	
Long-Term Liabilities	12,271,349
OPEB Liability	1,430,660
Net Pension Liability	<u>1,943,751</u>
Total Noncurrent Liabilities	<u>15,645,760</u>
Total Liabilities	18,328,361

**DEFERRED INFLOWS OF RESOURCES**

Deferred Amounts from OPEB Plan	187,498
Deferred Amounts from Pension Plans	1,787,507
Deferred Amounts from Leases	<u>50,918,408</u>
Total Deferred Inflows of Resources	<u>52,893,413</u>

**NET POSITION**

Net Investment in Capital Assets	16,628,293
Restricted for Dredging	3,000,000
Restricted for Fisheries Complex	196,927
Unrestricted	<u>8,075,581</u>
Total Net Position	<u><u>\$ 27,900,801</u></u>

See accompanying Notes to Financial Statements.

# ATTACHMENT 2

## VENTURA PORT DISTRICT STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2022

### OPERATING REVENUES

Leases:	
General	\$ 7,072,418
Harbor Village Slips	1,067,233
Fishing	338,451
Boat Yard	356,452
Charter	485,505
Tenant Reimbursements	503,291
Dry Storage	83,465
Other	296,088
Total Operating Revenues	<u>10,202,903</u>

### OPERATING EXPENSES

Administration	246,592
Salaries and Benefits	3,891,025
Merchant Promotion	327,270
Professional Services	772,714
Depreciation and Amortization	1,297,929
Repairs and Maintenance	930,371
Harbor Dredging	177,854
Utilities	433,746
Insurance	315,559
Other	231,482
Total Operating Expenses	<u>8,624,542</u>

**OPERATING INCOME** 1,578,361

### NONOPERATING REVENUES (EXPENSES)

Taxes	1,548,615
Investment Income (loss)	(141,266)
Interest Income on Leases	797,853
Intergovernmental Grants	1,316,654
Interest Expense	(462,067)
Total Nonoperating Revenues (Expenses)	<u>3,059,789</u>

**CHANGE IN NET POSITION** 4,638,150

Net Position - Beginning of Year 23,262,651

**NET POSITION - END OF YEAR** \$ 27,900,801

See accompanying Notes to Financial Statements.

# ATTACHMENT 2

## VENTURA PORT DISTRICT STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2022

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Tenants	\$ 5,821,034
Cash Received from Others	289,415
Cash Paid to Employees	(4,130,890)
Cash Paid for Goods and Services	<u>(3,448,525)</u>
Net Cash Used by Operating Activities	(1,468,966)

### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Taxes Received	1,552,068
Receipts from Other Governments	<u>1,440,332</u>
Net Cash Provided by Noncapital Financing Activities	2,992,400

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition And Construction of Capital Assets	(867,944)
Principal Payments on Long-Term Debt	(1,259,375)
Interest Payments on Long-Term Debt	(415,393)
Interest Received on Long-Term Leases	760,515
Principal Received from Long-Term Leases	<u>3,722,982</u>
Net Cash Provided by Capital and Related Financing Activities	1,940,785

### CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received	31,952
Change in Fair Value of Cash and Cash Equivalents	<u>(189,717)</u>
Net Cash Used by Investing Activities	<u>(157,765)</u>

### NET INCREASE IN CASH AND CASH EQUIVALENTS

3,306,454

Cash and Cash Equivalents - Beginning of Year

11,962,758

### CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 15,269,212

### RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION

Cash and Cash Equivalents	\$ 12,072,285
Restricted Cash and Cash Equivalents	<u>3,196,927</u>
Total	<u>\$ 15,269,212</u>

See accompanying Notes to Financial Statements.

## ATTACHMENT 2

**VENTURA PORT DISTRICT  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

**RECONCILIATION OF OPERATING INCOME TO  
NET CASH USED BY OPERATING ACTIVITIES**

Operating Income	\$ 1,578,361
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Depreciation and amortization	1,297,929
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Assets and Deferred Outflows of Resources:	
Accounts Receivable	5,985
Other Receivables	(6,673)
Prepaid Expenses	(58,047)
Deferred Outflows from OPEB Plan	(105,175)
Deferred Outflows from Pension Plans	23,387
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:	
Accounts Payable	47,340
Accrued Liabilities	(7,957)
Unearned Revenue	(40,983)
Security Deposits	(2,229)
Compensated Absences	17,365
OPEB Liability	123,439
Net Pension Liability	(2,062,120)
Deferred Inflows from OPEB Plans	1,685,950
Deferred Inflows from Pension Plans	85,246
Deferred Inflows from Leases	(4,050,784)
Net Cash Used by Operating Activities	<u>\$ (1,468,966)</u>

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Amortization on Deferred Amount on Debt Refunding	\$ (33,674)
Lease Receivable Additions	334,392

See accompanying Notes to Financial Statements.

## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Ventura Port District (District) was organized under Sections 6200-6372 of the Harbor and Navigation Code of the state of California on April 15, 1952, for the purpose of acquiring, constructing, and operating a small boat harbor now known as Ventura Harbor. The District is governed by a board of five commissioners appointed by the District Council of the District of San Buenaventura (the Board of Port Commissioners). They serve for a term of four years without compensation. The Board of Port Commissioners appoints legal counsel, an auditor, and a general manager to implement board policies and direct operational aspects of the harbor.

The District receives a pro rata share of the general tax levy from the County of Ventura. The District also has the power of eminent domain.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units.

The financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the District's operations, and data from this unit is combined with data of the District. The blended component unit has a June 30 year-end. The District had no discretely presented component units. The following entity is reported as a blended component unit.

The Ventura Port District Public Facilities Corporation (the Corporation) was formed and organized in 1992 as a nonprofit public benefit corporation pursuant to the laws of the state of California. The District's Board of Port Commissioners acts as the governing board of the Corporation, and the Corporation is financially accountable to the District. The Corporation was formed for the purpose of financing and owning certain improvements on land leased from the District consisting of a portion of a multiple-use center and marina, which is commonly referred to as Ventura Harbor Village. The debt issued by the Corporation was paid off in fiscal year 2020-2021 and the Corporation had no financial transactions in fiscal year 2021-2022. Separate financial statements are not prepared for the Corporation.

##### B. Basis of Presentation

The financial statements (i.e., statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows) report information on all of the activities of the District.

**VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****B. Basis of Presentation (Continued)**

The District's activities are accounted for in an enterprise fund. An enterprise fund is a proprietary-type fund used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District applies all Governmental Accounting Standards Board (GASB) pronouncements.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**C. Measurement Focus and Basis of Accounting**

*Measurement focus* is a term used to describe which transactions are recorded within the various financial statements. *Basis of accounting* refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the District are lease revenues. Operating expenses include costs of providing services in relation to the leased properties, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then use unrestricted resources as needed.

## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **D. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 3C and 3D.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Note 3C and 3D. The statement of net position also reports a deferred inflow of resources related to leases which are more fully discussed in Note 3A.

##### **E. Assets, Liabilities, and Net Position**

###### Cash and Cash Equivalents

For the purposes of the statement of cash flows, the District considers cash on hand and in the bank, cash held and invested by the County Treasurer, and the pooled funds held by the state of California Local Agency Investment Fund (LAIF), which are readily convertible to known amounts of cash, to be cash and cash equivalents.

Cash and cash equivalents, as reported in the statement of cash flows, include both restricted and unrestricted amounts.

###### Accounts Receivable

The District grants unsecured credit to its customers. Bad debts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and a review of past due accounts.

###### Prepaid Expenses

Certain payments to vendors reflect costs applicable to a future accounting period and are, therefore, recorded as prepaid expenses. The cost of prepaid expenses is recorded as an expense when consumed.



## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### E. Assets, Liabilities, and Net Position (Continued)

###### Inventories

Inventories consist primarily of materials and supplies used in the general maintenance of vehicles, boats, and leased land. They are valued at cost using the first-in, first-out method under the consumption method.

###### Capital Assets

The District defines capital assets as tangible property having a minimum value of \$5,000 (\$10,000 for buildings, improvements, and infrastructure) that has a life expectancy longer than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

Depreciation and amortization have been provided over estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Harbor Improvements	5 to 50 Years
Leasehold Improvements	5 to 50 Years
Buildings and Structures	5 to 50 Years
Boats	3 to 10 Years
Trucks	3 to 10 Years
Equipment	3 to 10 Years
Right to Use Assets	3 to 7 Years
Signs	5 Years

###### Property Taxes Receivables

Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied based on a July 1 to June 30 fiscal year. Taxes are due in two installments on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes for the District. Tax revenues are recognized by the District in the year levied. Property tax receivables are adjusted to their net realizable values by deducting any estimated uncollectible amounts reported to the District.

###### Compensated Absences

District employees earn vacation and sick leave in accordance with the personnel policies of the District. The liability for vested vacation and sick leave is recorded as an expense when earned.

## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### E. Assets, Liabilities, and Net Position (Continued)

###### Net Position

In the statement of net position, net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Deferred amounts on refundings increase the balance in this category. Accumulated depreciation and the outstanding balances of debt and other payables that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or judgment. At June 30, 2022, the restricted assets are \$3,196,927, of which \$3,000,000 is restricted for dredging of the harbor by a court judgment against the District in 1979, and \$196,927 is restricted by a lease agreement for facility maintenance on the fisheries complex.
- *Unrestricted* – This category represents assets of the District not restricted for any project or other purpose.

##### F. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position has been determined on the same basis as it is reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### G. Leased Property

###### Lessee

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

ATTACHMENT 2

VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Leased Property (Continued)

Lessor

The District recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

H. Adoption of New Accounting Standards

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District adopted the requirement of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 DETAILED NOTES

A. Cash and Investments

Cash and Investments

Cash and investments as of June 30, 2022, are reported in the statement of net position as follows:

Cash and Cash Equivalents	\$ 12,072,285
Restricted Cash and Cash Equivalents	3,196,927
Total Cash and Investments	<u>\$ 15,269,212</u>

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 2 DETAILED NOTES (CONTINUED)

#### A. Cash and Investments (Continued)

Cash and investments as of June 30, 2022, consist of the following:

Demand Accounts (Bank Balance)	\$ 842,750
Less: Outstanding Checks	(66,647)
Deposits	776,103
Petty Cash	2,538
Total Deposits and Petty Cash	778,641

Investments:

State of California LAIF	14,471,742
Ventura County Treasury Pool	18,829
Total Investments	14,490,571
Total Cash and Investments	\$ 15,269,212

#### Restricted Cash and Cash Equivalents

A portion of cash and cash equivalents as of June 30, 2022, is considered to be restricted for the following purposes:

Dredging Pursuant To Settlement Agreement	\$ 3,000,000
Facility Maintenance Pursuant To Lease Agreement	196,927
Total	\$ 3,196,927

#### Investments Authorized by the California Government Code and the District's Investment Policy

The District's investment policy authorizes an investment in all investments authorized under provisions of California Government Code Section 53601. The District's investment policy is not more restrictive than the California Government Code.

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 2 DETAILED NOTES (CONTINUED)

#### A. Cash and Investments (Continued)

##### Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio*	Maximum Investment in One Issuer
United States Treasury Obligations	5 Years	None	None
United States Government Sponsored Agency Securities	5 Years	None	None
State of California Obligations	5 Years	None	None
California Local Agency Obligations	5 Years	None	None
Negotiable Certificates of Deposit	5 Years	30%	5%
CD Placement Service	5 Years	30%	None
Banker's Acceptance	180 Days	40%	30%
Repurchase Agreements	1 Year	None	None
Commercial Paper	270 Days	25%	10%
Medium-Term Notes	5 Years	30%	None
California LAIF	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Mutual Funds and Money Market Mutual Funds	N/A	20%	10%

N/A - Not Applicable

\* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

##### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 2 DETAILED NOTES (CONTINUED)

##### A. Cash and Investments (Continued)

###### Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table, which shows the distribution of the District's investments by maturity at June 30, 2022:

	<u>Less Than One Year</u>
Investment Type:	
LAIF	\$ 14,471,742
Ventura County Treasury Pool	18,829
Total	<u>\$ 14,490,571</u>

###### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization. The Ventura County Treasury Pool had a Standard & Poor's rating of AAA at June 30, 2022.

###### Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

###### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, all of the District's deposits with financial institutions were covered by federal depository insurance limits or collateralized as required under California law.

**VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

Custodial Credit Risk (Continued)

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty, or the counterparty's trust department or agent but not in the District's name. At June 30, 2022, the District does not have any investments that are exposed to custodial credit risk.

Investment in State Investment Pool

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in Ventura County Treasury Pool

The District is an involuntary participant in the Ventura County Treasury Pool. The District's account is used to collect and transmit property tax revenues to the District. The balance available for withdrawal is based on the accounting records maintained by Ventura County Treasurer Pool, which are recorded on an amortized cost basis.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. The district's investments in LAIF and the Ventura County Treasury Pool are not subject to fair value measurement.

**B. Accounts Receivable, Net**

As of June 30, 2022, accounts receivable, net, consist primarily of receivables for variable payments on lease agreements of \$641,471 with an allowance for uncollectible accounts of \$110,000 for a net amount of \$531,471.



# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 2 DETAILED NOTES (CONTINUED)

#### C. Capital Assets

A summary of changes in the capital assets for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021*	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 2,342,629	\$ -	\$ -	\$ -	\$ 2,342,629
Land Improvements	9,904,703	-	-	-	9,904,703
Construction in Progress	610,517	629,109	-	(536,939)	702,687
Total Capital Assets, Not Being Depreciated	12,857,849	629,109	-	(536,939)	12,950,019
Capital Assets, Being Depreciated:					
Buildings and Structures	22,985,759	51,353	-	233,916	23,271,028
Equipment	1,767,289	43,837	(15,126)	234,553	2,030,553
Harbor Improvements	4,641,933	-	-	-	4,641,933
Leasehold Improvements	6,006,910	143,647	-	68,470	6,219,027
Total Capital Assets, Being Depreciated	35,401,891	238,837	(15,126)	536,939	36,162,541
Less: Accumulated Depreciation	(18,649,370)	(1,199,952)	15,126	-	(19,834,196)
Total Capital Assets, Being Depreciated, Net	16,752,521	(961,115)	-	536,939	16,328,345
Intangible Right-To-Use assets					
Leased Equipment	723,954	-	-	-	723,954
Less: Accumulated Amortization	-	(97,977)	-	-	(97,977)
Net Intangible Right-to-use Assets	723,954	(97,977)	-	-	625,977
Total Capital Assets, Net	\$ 30,334,324	\$ (429,983)	\$ -	\$ -	\$ 29,904,341

\* The beginning balance was restated due to the implementation of GASB Statement No. 87.

Depreciation and amortization expense was \$1,297,929 for the year ended June 30, 2022.

#### D. Unearned Revenue

Unearned revenue represents lease rent amounts received in advance for monthly leases, variable payments on lease agreements and advanced rent paid on a license agreement. Unearned revenue totaled \$117,657 at June 30, 2022.

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 2 DETAILED NOTES (CONTINUED)

#### E. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	Balance at July 1, 2021*	Additions	Deletions	Balance at June 30, 2022	Due Within One Year
Notes from Direct Borrowings and Direct Placements:					
2016 Refunding Certificates of Participation	3,893,900	-	(204,300)	3,689,600	211,100
2018 Installment Obligation:					
Series A	1,494,395	-	(59,726)	1,434,669	62,212
Series B	2,802,726	-	(100,956)	2,701,770	106,326
2021 Refunding Installment Purchase contract	5,756,000	-	(804,000)	4,952,000	787,000
Subtotal	13,947,021	-	(1,168,982)	12,778,039	1,166,638
Other Long-Term Liabilities:					
Lease payable	723,954	-	(90,393)	633,561	93,964
Compensated Absences	329,857	529,722	(512,357)	347,222	226,871
Total	<u>\$ 15,000,832</u>	<u>\$ 529,722</u>	<u>\$ (1,771,732)</u>	<u>\$ 13,758,822</u>	<u>\$ 1,487,473</u>

\* The beginning balance was restated due to the implementation of GASB Statement No. 87.

The District's debt contains provisions that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

#### 2016 Refunding Certificates of Participation

On March 1, 2016, the District entered into an installment purchase agreement relating to the District's \$4,841,800 Refunding Certificates of Participation, Series 2016 (Series 2016 Refunding Certificates) with the Municipal Finance Corporation to currently refund the \$4,731,560 notes payable to the State of California Department of Boating and Waterways. The defeased notes payable have been paid in full. All Series 2016 Refunding Certificates were purchased by City National Bank. The Series 2016 Refunding Certificates bear interest rate of 3.30% and payments of principal and interest are due semiannually on August 1 and February 1.

The annual debt service requirements on the 2016 Refunding Certificates of Participation are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 211,100	\$ 120,016	\$ 331,116
2024	218,100	112,992	331,092
2025	225,900	105,729	331,629
2026	232,900	98,218	331,118
2027	240,700	90,446	331,146
2028 Through 2032	1,329,300	326,705	1,656,005
2033 Through 2036	1,231,600	93,093	1,324,693
Totals	<u>\$ 3,689,600</u>	<u>\$ 947,199</u>	<u>\$ 4,636,799</u>

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 2 DETAILED NOTES (CONTINUED)

#### E. Long-Term Liabilities (Continued)

##### 2018 Installment Obligation

On August 8, 2018, the District entered into a \$4,664,166 installment sale agreement (2018 Installment Obligation) with Municipal Finance Corporation for the purpose of providing funding for marina dock improvements. Municipal Finance Corporation assigned its interest in the installment payments contemporaneously, to City National Bank. Interest accrues at a rate of 4.12% per annum with respect to the tax-exempt Series A installment payments (\$1,632,458) and 5.25% per annum with respect to the taxable Series B installment payments (\$3,031,708). Principal and interest are due semiannually commencing February 1, 2019 and concluding on August 31, 2038.

The annual debt service requirements for Series A are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 62,212	\$ 58,474	\$ 120,686
2024	64,802	55,885	120,687
2025	67,498	53,187	120,685
2026	70,308	50,378	120,686
2027	73,235	47,451	120,686
2028 Through 2032	414,519	188,853	603,372
2033 Through 2037	508,276	95,155	603,431
2038 Through 2039	173,819	7,210	181,029
Totals	<u>\$ 1,434,669</u>	<u>\$ 556,593</u>	<u>\$ 1,991,262</u>

The annual debt service requirements for Series B are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 106,326	\$ 140,465	\$ 246,791
2024	111,981	134,810	246,791
2025	117,937	128,854	246,791
2026	124,210	122,581	246,791
2027	130,817	115,974	246,791
2028 Through 2032	766,157	467,798	1,233,955
2033 Through 2037	992,772	241,183	1,233,955
2038 Through 2039	351,570	18,617	370,187
Totals	<u>\$ 2,701,770</u>	<u>\$ 1,370,282</u>	<u>\$ 4,072,052</u>

##### 2021 Installment Purchase Contract

On April 1, 2021, the District entered into a \$5,760,000 installment purchase contract with CN Financing, Inc for the purpose of refinancing the 2008 Refunding Certificates of Participation and the 2009 Refunding Certificates of Participation. The installment payments of principal are due April 1 with a final payment due August 1, 2027 and interest payments are due semi-annually on February 1 and August 1. Interest on the installment purchase contract is at 1.95%.

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 2 DETAILED NOTES (CONTINUED)

#### E. Long-Term Liabilities (Continued)

##### 2021 Installment Purchase Contract (Continued)

The annual debt service requirements on the 2021 Installment Purchase Contract are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 787,000	\$ 88,891	\$ 875,891
2024	804,000	73,379	877,379
2025	817,000	57,574	874,574
2026	834,000	41,477	875,477
2027	848,000	25,077	873,077
2028	862,000	8,405	870,405
Totals	<u>\$ 4,952,000</u>	<u>\$ 294,803</u>	<u>\$ 5,246,803</u>

##### Debt Service Coverage Requirements

The Series 2016 Refunding Certificates, the 2018 Installment Obligation, Series A and B, and the 2021 Installment Purchase Contract are secured by the District's pledge of all net revenues. Net revenue is defined as all operating and nonoperating revenue except for grant revenue less all operating and nonoperating expenses excluding depreciation and interest. A comparison of pledged net revenues to current-year debt service as of June 30, 2022, is as follows:

Net revenues	\$ 5,081,492
Debt Services - Current Year	1,613,231

The District net revenues exceeded the debt service coverage requirements for the year ended June 30, 2022.

##### Leases

The District leases equipment for various terms under long-term noncancellable lease agreements. The leases expire at various dated through fiscal year 2028-2029 and do not have renewal options.

Total future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 93,964	\$ 4,609	\$ 98,573
2024	93,062	3,907	96,969
2025	87,902	3,210	91,112
2026	88,599	2,513	91,112
2027	89,301	1,810	91,111
2028-2029	180,733	1,491	182,224
Totals	<u>\$ 633,561</u>	<u>\$ 17,540</u>	<u>\$ 651,101</u>

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 3 OTHER INFORMATION

#### A. Leases

The District receives the majority of its operating revenues in the form of rent payments from lessees of the parcels of land and buildings in Ventura Harbor. The District, acting as lessor, leases land under long-term, noncancelable lease agreements. The leases expire at various dates through 2067 and lease terms range from 20 to 50 years provide for renewal options ranging from up to 30 years. During the year ended June 30, 2022, the District recognized \$4,050,784 and \$797,853 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset that are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the period in which payments are due. During the year ended June 30, 2022, the District recognized in income variable payments required to be paid by the lease agreements totaling \$3,959,091.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,571,457	\$ 762,903	\$ 4,334,360
2024	3,285,694	718,762	4,004,456
2025	2,725,133	682,021	3,407,154
2026	2,414,872	649,037	3,063,909
2027	1,796,117	619,362	2,415,479
2028 Through 2032	8,786,770	2,673,239	11,460,009
2033 Through 2037	7,051,992	2,043,839	9,095,831
2038 Through 2042	6,081,985	1,512,701	7,594,686
2043 Through 2047	5,148,850	1,060,002	6,208,852
2048 Through 2052	5,464,122	627,078	6,091,200
2053 Through 2057	2,201,412	276,020	2,477,432
2058 Through 2062	1,340,396	159,604	1,500,000
2063 Through 2067	1,244,021	45,495	1,289,516
Totals	<u>\$ 51,112,821</u>	<u>\$ 11,830,063</u>	<u>\$ 62,942,884</u>

VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 3 OTHER INFORMATION (CONTINUED)

**B. Dredging Reserve**

As the result of a litigation settlement during the year ended June 30, 1979, the District is required to maintain a \$3,000,000 reserve to be utilized to maintain the channel from the open sea to the Ventura Keys. Should the reserve fall below \$3,000,000, the District is required to budget and fund annually 25% of total operating revenue of the prior year until such time as the reserve balance reaches \$3,000,000 again.

The District maintains a separate restricted general ledger cash account for dredging related expenses. As of June 30, 2022, this account had a balance of \$3,000,000.

**C. Pension Plans**

**1. General Information about the Pension Plans**

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety (police) and Miscellaneous (all other) Employee Pension Plans (Plans), which are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. California Public Employees' Pension Reform Act (PEPRA) miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service.

The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

ATTACHMENT 2

VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

1. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect for the year ended June 30, 2021, the measurement period, are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	1.4% to 2.4%	1.0% to 2.5%
Required Employee Contribution Rates	7.00%	6.25%
Required Employer Contribution Rates:		
Normal Cost Rate	10.88%	7.59%
Payment of Unfunded Liability	\$ 211,988	\$ 1,775

Hire Date	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	1.4% to 2.0%	1.6% to 2.0%
Required Employee Contribution Rates	7.00%	9.50%
Required Employer Contribution Rates:		
Normal Cost Rate	15.66%	11.13%
Payment of Unfunded Liability	\$ 74,807	\$ 6

**VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 OTHER INFORMATION (CONTINUED)****C. Pension Plans (Continued)****1. General Information about the Pension Plans (Continued)**Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For fiscal year 2021-2022, the District's employer contributions were \$388,958 and \$180,801 for the miscellaneous and safety plans, respectively.

**2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,547,769
Safety	395,982
Total Net Pension Liability	<u>\$ 1,943,751</u>

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.



# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 3 OTHER INFORMATION (CONTINUED)

#### C. Pension Plans (Continued)

#### 2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The District's proportionate shares of the net pension liability for each Plan as of the measurement dates ended June 30, 2020 and 2021, were as follows:

	Miscellaneous	Safety
Proportion - June 30, 2020	0.07219 %	0.01442 %
Proportion - June 30, 2021	0.08151%	0.01128%
Change - Increase (Decrease)	0.00932%	-0.00314%

For the year ended June 30, 2022, the District recognized pension expense of \$510,208 (\$363,592 for the Miscellaneous Plan and \$146,616 for the Safety Plan). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 388,958	\$ -
Differences Between Actual and Expected Experience	173,567	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	15,857	(111,598)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(1,351,120)
Total	\$ 578,382	\$ (1,462,718)

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 3 OTHER INFORMATION (CONTINUED)

#### C. Pension Plans (Continued)

#### 2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 180,801	\$ -
Differences Between Actual and Expected Experience	67,653	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	113,904	(89,104)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(235,685)
Total	<u>\$ 362,358</u>	<u>\$ (324,789)</u>

\$569,759 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Miscellaneous	Safety	Total
2023	\$ (275,984)	\$ (14,067)	\$ (290,051)
2024	(297,199)	(22,716)	(319,915)
2025	(326,732)	(41,592)	(368,324)
2026	(373,379)	(64,857)	(438,236)
2027	-	-	-
Thereafter	-	-	-

#### Actuarial Methods and Assumptions

The total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation performed as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021.

## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 3 OTHER INFORMATION (CONTINUED)

##### C. Pension Plans (Continued)

##### 2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

###### Actuarial Methods and Assumptions (Continued)

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increases	(a)	(a)
Mortality Rate Table	(b)	(b)
Postretirement Benefit Increase	(c)	(c)

(a) Varies by entry age and service.

(b) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Preretirement and Postretirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(c) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

###### Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

## ATTACHMENT 2

**VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 OTHER INFORMATION (CONTINUED)****C. Pension Plans (Continued)****2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**Long-Term Expected Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund (PERF) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	0.00	77.00	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
Total	100.00 %		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

**VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 OTHER INFORMATION (CONTINUED)****C. Pension Plans (Continued)****2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plans calculated using the discount rate for the Plans, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 3,295,136	\$ 1,070,210
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 1,547,769	\$ 395,982
1% Increase	8.15%	8.15%
Net Pension (Asset) Liability	\$ 103,246	\$ (157,812)

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%.

VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Subsequent Events (Continued)

Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

3. Payable to the Pension Plans

At June 30, 2022, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

D. Other Postemployment Health Care Benefits

1. Plan Description

The District offers a single employer defined benefit health care plan (the Health Care Plan). The Health Care Plan provides medical health care insurance for eligible retirees and their spouses through the California Public Employees' Retirement System Health Benefits Program under the Public Employee' Medical and Hospital Care Act (PEMHCA). The benefit contribution has been long-standing and approved by the Board of Port Commissioners on June 23, 1999. No dental, vision, or life insurance benefits are provided.

## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 3 OTHER INFORMATION (CONTINUED)

##### D. Other Postemployment Health Care Benefits (Continued)

###### 2. Employees Covered

As of measurement date June 30, 2021, the following current and former employees were covered by the benefit terms under the Plan:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	7
Inactive Plan Members or Beneficiaries	
Entitled to But Not Yet Receiving Benefits	-
Active Employees	35
Total	<u>42</u>

###### 3. Contributions

The benefit provisions and contribution requirements of Plan members and the District are established and may be amended through agreements and memorandums of understanding between the District, and its employee groups. Administrative costs of the OPEB Plan are paid by the District. The District has currently chosen to pay Plan benefits on a pay-as-you-go basis (i.e., as medical insurance premiums become due) and does not maintain a trust fund for its other postemployment benefits. There are no employee contributions. The District's fixed-dollar benefit contribution cannot be less than the PEMHCA minimum for PEMHCA actives and retirees. For the year ended June 30, 2021, the measurement period, the District paid \$139 per month for each retiree participating in the PEMHCA Plan from July 1, 2020, to December 31, 2020, and \$143 per month from January 1, 2021, to June 30, 2021. The total amount paid directly by the District to CalPERS for the District's health premium contributions under PEMHCA for retiree medical health care plan postemployment benefits for the fiscal year was \$10,867. Including the implicit rate subsidy of \$6,894 the District's total contributions to the Plan for the year ended June 30, 2021, the measurement period, were \$17,761. For the fiscal year ended June 30, 2022, the District contributed \$19,158 to the plan.

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 3 OTHER INFORMATION (CONTINUED)

#### D. Other Postemployment Health Care Benefits (Continued)

##### 4. Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2021 with standard actuarial update procedures from valuation date to the measurement date. A summary of the principal methods and assumptions of the July 1, 2021 valuation were based on a review of the plan experience during the period July 1, 2019 to June 30 2021 and were used to determine the total OPEB liability is shown below.

##### Actuarial Methods and Assumptions

Valuation Date	July 1, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age- Level Percent of Pay
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	1.92% (Municipal Bond 20-Year High Grade Rate Index)
Inflation	2.50%
Medical Cost Trend Rate	5.20% for 2021-2034 5.00% for 2035-2049 4.50% for 2050-2064 4.00% for 2065 and Later years
Mortality Rates	Most Recent Experience Study for CalPERS Members
Salary Increases	3.00%

##### Discount Rate

The discount rate used to measure the total OPEB liability was 1.92%. This rate is equal to the municipal bond 20-year high grade index rate as the District's has not established a trust for the OPEB Plan, and therefore, does not have any fiduciary net position.



ATTACHMENT 2

VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Other Postemployment Health Care Benefits (Continued)**

**5. Changes in the Total OPEB Liability**

The changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2020 (Measurement Date)	\$ 1,326,470
Changes in the Year:	
Service Cost	83,950
Interest on the Total OPEB Liability	34,339
Differences Between Actual and Expected Experience	(122,828)
Changes in Assumptions	145,739
Changes in Benefit Terms	-
Benefit Payments	(17,761)
Administrative Expenses	-
Net Changes	<u>123,439</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 1,449,909</u>

Change of Assumptions

The discount rate changed from 2.45% for the measurement period ended June 30, 2020, to 1.92% for the measurement period ended June 30, 2021, as a result of the change in the municipal bond 20-year high grade rate index.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

# ATTACHMENT 2

## VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

### NOTE 3 OTHER INFORMATION (CONTINUED)

#### D. Other Postemployment Health Care Benefits (Continued)

##### 5. Changes in the Total OPEB Liability (Continued)

###### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 1,587,903</u>	<u>\$ 1,449,909</u>	<u>\$ 1,259,737</u>

###### Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1% lower or 1% higher than the current medical trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 1,230,776</u>	<u>\$ 1,449,909</u>	<u>\$ 1,732,299</u>

##### 6. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$121,180. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 19,158	\$ -
Differences Between Actual and Expected Experience	-	(187,498)
Changes in Assumptions	216,863	-
Total	<u>\$ 236,021</u>	<u>\$ (187,498)</u>

## ATTACHMENT 2

### VENTURA PORT DISTRICT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

#### NOTE 3 OTHER INFORMATION (CONTINUED)

##### D. Other Postemployment Health Care Benefits (Continued)

###### 6. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The OPEB contributions of \$19,158 subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023. Amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 2,891
2024	2,891
2025	2,891
2026	10,253
2027	4,706
Thereafter	5,733

###### 7. Payable to the OPEB Plan

At June 30, 2022, the District had no outstanding amount of contributions to the OPEB Plan required for the year ended June 30, 2022.

##### E. Related-Party Transactions

The City of Ventura provides utility services to the District for water, sewage, and refuse. The cost for these services for the year ended June 30, 2022, was \$221,645.

##### F. Liability, Workers' Compensation, and Purchased Insurance

###### 1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The District is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, purchase excess insurance or reinsurance, and arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board of Directors operates through a nine-member Executive Committee.

**VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 OTHER INFORMATION (CONTINUED)****F. Liability, Workers' Compensation, and Purchased Insurance (Continued)****2. Primary Self-Insurance Programs of the Authority**

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on actuarial analysis. Costs are allocated to individual agencies based on payroll and claims relative to other members of the risk-sharing pool.

*Primary Liability Program* – Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sublimit of \$50 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website:

<https://cjpia.org/protection/coverage-programs>

*Primary Workers' Compensation Program* – Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

ATTACHMENT 2  
VENTURA PORT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**F. Liability, Workers' Compensation, and Purchased Insurance (Continued)**

**2. Primary Self-Insurance Programs of the Authority (Continued)**

For 2021-22, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**3. Purchased Insurance**

*Pollution Legal Liability Insurance* – The District participates in the pollution legal liability insurance program that is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the District. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

*Property Insurance* – The District participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. District property is currently insured according to a schedule of covered property submitted by the District to the Authority. There is a \$10,000 deductible per occurrence, except for nonemergency vehicle insurance, which has a \$2,500 deductible.

*Crime Insurance* – The District purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

*Adequacy of Protection* – During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2021-2022.

**G. Commitments and Contingencies**

As of year-end, the District's outstanding commitments under construction contracts totaled \$138,499.

Pursuant to a licensing agreement, the licensee is maintaining a cash bond in the form of a \$200,000 certificate of deposit. In the event of a breach of the agreement, the District has the right to recover damages suffered from this cash bond.

# ATTACHMENT 2

## VENTURA PORT DISTRICT SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY CALPERS MISCELLANEOUS PENSION PLAN LAST TEN YEARS\*

	Fiscal Year Ended June 30,			
	2022	2021	2020	2019
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Plan's Proportion of the Net Pension Liability	0.08151%	0.07219%	0.07218%	0.07244%
Plan's Proportionate Share of the Net Pension Liability	\$ 1,547,769	\$ 3,044,896	\$ 2,890,368	\$ 2,730,230
Plan's Covered Payroll	\$ 1,712,036	\$ 1,913,579	\$ 1,650,654	\$ 1,694,729
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	90.41%	159.12%	175.10%	161.10%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	90.49%	75.39%	75.49%	75.26%

### NOTES TO SCHEDULE

#### Benefit Changes:

There were no changes in benefits.

#### Changes In Assumptions:

From Fiscal Year June 30, 2015, to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From Fiscal Year June 30, 2016, to June 30, 2017:

There were no changes in assumptions.

From Fiscal Year June 30, 2017, to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From Fiscal Year June 30, 2018, to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

From Fiscal Year June 30, 2019, to June 30, 2021:

There were no changes in assumptions.

\* Measurement period 2013-14 (fiscal year 2015) was the first year of implementation and therefore only eight years are shown.

ATTACHMENT 2

**VENTURA PORT DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
CALPERS MISCELLANEOUS PENSION PLAN (CONTINUED)  
LAST TEN YEARS\***

	Fiscal Year Ended June 30,			
	2018	2017	2016	2015
Measurement Period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.07264%	0.07326%	0.07579%	0.84260%
Plan's Proportionate Share of the Net Pension Liability	\$ 2,863,665	\$ 2,545,114	\$ 2,079,308	\$ 2,082,353
Plan's Covered Payroll	\$ 1,561,936	\$ 1,562,010	\$ 1,523,114	\$ 1,517,322
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	183.34%	162.94%	136.52%	137.24%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.31%	74.06%	78.40%	77.27%

# ATTACHMENT 2

## VENTURA PORT DISTRICT SCHEDULE OF PLAN CONTRIBUTIONS CALPERS MISCELLANEOUS PENSION PLAN LAST TEN YEARS\*

	Fiscal Year Ended June 30,			
	2021	2021	2020	2019
Contractually Required Contribution (Actuarially Determined)	\$ 388,958	\$ 352,124	\$ 443,180	\$ 383,062
Contributions in Relation to the Actuarially Determined Contributions	(388,958)	(352,124)	(443,180)	(383,062)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,765,003	\$ 1,712,036	\$ 1,913,579	\$ 1,650,654
Contributions as a Percentage of Covered Payroll	22.04%	20.57%	23.16%	23.21%

### NOTES TO SCHEDULE

Valuation Date June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016

Methods and Assumptions Used to  
Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value

Inflation	2.50%	2.50%	2.625%	2.75%
Salary Increases	(b)	(b)	(b)	(b)
Investment Rate of Return	7.15% (c)	7.15% (c)	7.25% (c)	7.375% (c)
Retirement Age	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)

- (a) Level Percentage of Payroll, Closed
- (b) Depending on Age, Service, and Type of Employment
- (c) Net of Pension Plan Investment Expense, including Inflation.
- (d) 50 for All Plans with the Exception of 52 for PEPRA 2% @ 62
- (e) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\*Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.



# ATTACHMENT 2

## VENTURA PORT DISTRICT SCHEDULE OF PLAN CONTRIBUTIONS CALPERS MISCELLANEOUS PENSION PLAN (CONTINUED) LAST TEN YEARS\*

	Fiscal Year Ended June 30,			
	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 339,385	\$ 307,781	\$ 284,888	\$ 251,228
Contributions in Relation to the Actuarially Determined Contributions	(339,385)	(307,781)	(284,888)	(251,228)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,694,729	\$ 1,561,936	\$ 1,562,010	\$ 1,523,114
Contributions as a Percentage of Covered Payroll	20.03%	19.71%	18.24%	16.49%

### NOTES TO SCHEDULE

Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(b)	(b)	(b)	(b)
Investment Rate of Return	7.50% (c)	7.50% (c)	7.50% (c)	7.50% (c)
Retirement Age	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)

# ATTACHMENT 2

## VENTURA PORT DISTRICT SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY CALPERS SAFETY PENSION PLAN LAST TEN YEARS\*

	Fiscal Year Ended June 30,			
	2022	2021	2020	2019
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Plan's Proportion of the Net Pension Liability	0.01128%	0.01442%	0.01344%	0.01285%
Plan's Proportionate Share of the Net Pension Liability	\$ 395,982	\$ 960,975	\$ 838,700	\$ 753,843
Plan's Covered Payroll	\$ 697,338	\$ 440,344	\$ 599,298	\$ 655,094
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	56.78%	218.23%	139.95%	115.07%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	86.61%	79.41%	80.72%	75.26%

### NOTES TO SCHEDULE

#### Benefit Changes:

There were no changes in benefits.

#### Changes in Assumptions:

From Fiscal Year June 30, 2015, to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From Fiscal Year June 30, 2016, to June 30, 2017:

There were no changes in assumptions.

From Fiscal Year June 30, 2017, to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From Fiscal Year June 30, 2018, to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

From Fiscal Year June 30, 2019, to June 30, 2021:

There were no changes in assumptions.

\* Measurement period 2013-14 (fiscal year 2015) was the first year of implementation and therefore only eight years are shown.

ATTACHMENT 2

VENTURA PORT DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
CALPERS SAFETY PENSION PLAN (CONTINUED)  
LAST TEN YEARS\*

Measurement Period	Fiscal Year Ended June 30,			
	2018	2017	2016	2015
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.01261%	0.01232%	0.00969%	0.01593%
Plan's Proportionate Share of the Net Pension Liability	\$ 753,476	\$ 638,236	\$ 656,331	\$ 495,667
Plan's Covered Payroll	\$ 657,626	\$ 663,839	\$ 583,371	\$ 583,323
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	114.58%	96.14%	112.51%	84.97%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.31%	74.06%	78.40%	83.08%

# ATTACHMENT 2

## VENTURA PORT DISTRICT SCHEDULE OF PLAN CONTRIBUTIONS CALPERS SAFETY PENSION PLAN LAST TEN YEARS\*

	Fiscal Year Ended June 30,			
	2022	2021	2020	2019
Contractually Required Contribution (Actuarially Determined)	\$ 180,801	\$ 162,714	\$ 146,486	\$ 122,967
Contributions in Relation to the Actuarially Determined Contributions	(180,801)	(162,714)	(146,486)	(122,967)
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 723,987	\$ 697,338	\$ 440,344	\$ 599,298
Contributions as a Percentage of Covered Payroll	24.97%	23.33%	33.27%	20.52%

### NOTES TO SCHEDULE

Valuation Date June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016

#### Methods and Assumptions Used to Determine

##### Contribution Rates:

Actuarial Cost Method

Entry Age

Entry Age

Entry Age

Entry Age

Amortization Method

(a)

(a)

(a)

(a)

Asset Valuation Method

Fair Value

Fair Value

Fair Value

Fair Value

Inflation

2.50%

2.50%

2.625%

2.75%

Salary Increases

(b)

(b)

(b)

(b)

Investment Rate of Return

7.15% (c)

7.15% (c)

7.25% (c)

7.375% (c)

Retirement Age

(d)

(d)

(d)

(d)

Mortality

(e)

(e)

(e)

(e)

(a) Level Percentage of Payroll, Closed

(b) Depending on Age, Service, and Type of Employment

(c) Net of Pension Plan Investment Expense, Including Inflation

(d) 50 for All Plans with the Exception of 52 for PEPRA 2% @ 62\*\*

(e) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\*Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

# ATTACHMENT 2

## VENTURA PORT DISTRICT SCHEDULE OF PLAN CONTRIBUTIONS CALPERS SAFETY PENSION PLAN (CONTINUED) LAST TEN YEARS\*

	Fiscal Year Ended June 30,			
	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 106,348	\$ 98,629	\$ 97,035	\$ 74,952
Contributions in Relation to the Actuarially Determined Contributions	(106,348)	(98,629)	(97,035)	(74,952)
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 655,094	\$ 657,626	\$ 663,839	\$ 583,371
Contributions as a Percentage of Covered Payroll	16.23%	15.00%	14.62%	12.85%

### NOTES TO SCHEDULE

Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(b)	(b)	(b)	(b)
Investment Rate of Return	7.50% (c)	7.50% (c)	7.50% (c)	7.50% (c)
Retirement Age	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)

## ATTACHMENT 2

**VENTURA PORT DISTRICT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\***

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:					
Service Cost	\$ 83,950	\$ 78,000	\$ 71,787	\$ 63,679	\$ 61,824
Interest on Total OPEB Liability	34,339	37,121	43,489	35,155	32,642
Differences Between Expected and Actual Experience	(122,828)	-	(146,708)	(79,308)	-
Changes in Assumptions and Other Inputs	145,739	112,447	25,228	-	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(17,761)	(17,995)	(12,797)	(13,492)	(14,832)
Net Change in Total OPEB Liability	123,439	209,573	(19,001)	6,034	79,634
Total OPEB Liability - Beginning of Year	1,326,470	1,116,897	1,135,898	1,129,864	1,050,230
Total OPEB Liability - End of Year (A)	<u>\$ 1,449,909</u>	<u>\$ 1,326,470</u>	<u>\$ 1,116,897</u>	<u>\$ 1,135,898</u>	<u>\$ 1,129,864</u>
Plan Fiduciary Net Position:					
Contributions - Employer	17,761	17,995	12,797	13,492	14,832
and the Implied Subsidy Benefit Payments	(17,761)	(17,995)	(12,797)	(13,492)	(14,832)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - Beginning of Year	-	-	-	-	-
Plan Fiduciary Net Position - End of Year (B)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability - Ending (A)-(B)	<u>\$ 1,449,909</u>	<u>\$ 1,326,470</u>	<u>\$ 1,116,897</u>	<u>\$ 1,135,898</u>	<u>\$ 1,129,864</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered - Employee Payroll	\$ 2,500,195	\$ 2,570,218	\$ 2,313,172	\$ 2,196,212	\$ 2,052,394
Total OPEB Liability as Percentage of Covered - Employee Payroll	57.99%	51.61%	48.28%	51.72%	55.05%

**NOTES TO SCHEDULE**

## Benefit Changes:

There were no changes in benefits.

## Changes in Assumptions:

From June 30, 2018, to June 30, 2019:

The discount rate utilized for June 30, 2018, was 3.50% as compared to 3.62% utilized for June 30, 2019.

From June 30, 2019, to June 30, 2020:

The discount rate utilized for June 30, 2019, was 3.62% as compared to 3.13% utilized for June 30, 2020.

The healthcare trend rate for pre-Medicare was changed from 6.5% for June 30, 2019, to 6.0% for June 30, 2020.

From June 30, 2020, to June 30, 2021:

The discount rate utilized for June 30, 2020, was 3.13% as compared to 2.45% utilized for June 30, 2021.

From June 30, 2021, to June 30, 2022:

The discount rate utilized for June 30, 2021, was 2.45 % as compared to 1.92% utilized for June 30, 2022.

\*Fiscal year 2018 was the first year of implementation and therefore only five years are shown.



CliftonLarsonAllen LLP  
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Port Commissioners  
Ventura Port District  
Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Ventura Port District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 12, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Port Commissioners  
Ventura Port District

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Irvine, California  
April 12, 2023





CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





April 12, 2023

CliftonLarsonAllen LLP  
2875 Michelle Drive, Suite 300  
Irvine, CA 92606

This representation letter is provided in connection with your audit of the financial statements of Ventura Port District (the District), which comprise the respective financial position of the District as of June 30, 2022, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of April 12, 2023, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated October 3, 2022, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

### ATTACHMENT 3

April 12, 2023  
CliftonLarsonAllen LLP  
Page 2

5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP, if applicable.
6. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed, if applicable.
7. We have not identified or been notified of any uncorrected financial statement misstatements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP, if applicable.
9. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
11. The methods and significant assumptions used to determine fair values of financial instruments are as follows: custodial year-end statements are utilized to assess fair value. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
12. We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP, if any.
13. We have implemented GASB Statement No. 87, *Leases*, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.
14. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
15. Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.
16. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
17. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

**Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
  - f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
  - g. Access to all audit or relevant monitoring reports, if any, received from funding sources.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements, if applicable.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements, if applicable.

## ATTACHMENT 3

April 12, 2023  
CliftonLarsonAllen LLP  
Page 4

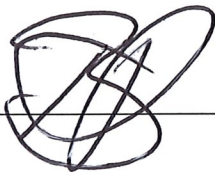
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Ventura Port District, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
14. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
15. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
18. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
19. Investments are properly valued.
20. Provisions for uncollectible receivables have been properly identified and recorded.
21. Revenues and expenses are appropriately classified as operating or non-operating.
22. Deposits and investment securities are properly classified as to risk and are properly valued and disclosed.

### ATTACHMENT 3

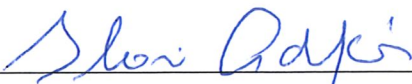
April 12, 2023  
CliftonLarsonAllen LLP  
Page 5

23. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
24. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
25. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
26. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
27. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
28. We have evaluated the adequacy and results of the lease accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

Signature: \_\_\_\_\_ Title: General Manager



Signature: \_\_\_\_\_ Title: Accounting Manager



## ATTACHMENT 3



# BOARD OF PORT COMMISSIONERS APRIL 19, 2023

## STANDARD AGENDA ITEM 2 ADOPTION OF RESOLUTION No. 3470 APPROVING A NOTICE OF PROPOSED ORDINANCE FOR AMENDMENT No. 7 TO THE EXISTING PARCEL 20 MASTER LEASE AND AN AMENDMENT TO THE ASSIGNMENT AND OPTION AGREEMENT BETWEEN THE VENTURA PORT DISTRICT AND DERECKTOR MARINE HOLDINGS FOR A NEW 50-YEAR MASTER LEASE FOR PARCEL 20



**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 2**

Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Sr. Business Operations Manager  
Andy Turner, Lagerlof Lawyers LLP  
SUBJECT: Adoption of Resolution No. 3470 Approving a Notice of Proposed Ordinance for Amendment No. 7 to the existing Parcel 20 Master Lease and an Amendment to the Assignment and Option Agreement between the Ventura Port District and Derecktor Marine Holdings for a new 50-Year Master Lease for Parcel 20

---

**RECOMMENDATION:**

That the Board of Port Commissioners adopt Resolution No. 3470 authorizing the Ventura Port District to publish a Notice of Proposed for Amendment No. 7 to the existing Parcel 20 Master Lease and an Amendment to the Assignment and Option Agreement between the Ventura Port District and Derecktor Marine Holdings for a new 50-Year Master Lease for Parcel 20.

**SUMMARY:**

The master tenant of Parcel 20 is Derecktor Marine Holdings (DMH). Due to planning-related impacts caused by the City's VenturaWaterPure project, DMH's submitted a formal request to the District to consider an amendment to the option agreement for a 50-year lease (30-year lease with a 20-year option). It was the request of DMH to eliminate and/or modify milestones required before exercising the Option of the 50-year lease. The result of the request and subsequent negotiations is the recommended changes to the Option Agreement and (existing Master Lease) as generally outlined below and specifically as attached.

**GUIDING PRINCIPLES:**

- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.

**5-YEAR OBJECTIVES:**

- M) Collaborate with Master Tenants and National Park Service to plan, improve, and develop the Harbor in a financially and environmentally sustainable way.
  - 1) Engagement and support of Master Tenants for successful business operations at the Harbor.

**BACKGROUND:**

The City of Ventura intends to break ground on VenturaWaterPure in 2023, which will cause the need for both temporary construction and permanent easements on Parcel 20, amongst other properties. The construction will cause business disruption, and the permanent easement will restrict some future development of the site. The City has discussed its' plans with the District and Derecktor and presented the current project status at the April 5<sup>th</sup> Board meeting. Derecktor's current development plans are reflective of the City's request for permanent easement on Parcel 20.

Generally, the current conditions that must be met for DMH to exercise the Option and implement the 50-year lease include:

1. Completion of the California Environmental Quality Act (CEQA) process for the proposed development project of Parcel 20.
2. Approval of the proposed development project for Parcel 20 by the Board of Port Commissioners, following the CEQA process.
3. Completion of project entitlements for the proposed development project (i.e. approvals by the City, Coastal Commission, and all other governing agencies).

4. Completion of City building plan check.
5. Demonstration of financing to complete project construction.

The proposed amendment to the Option would retain conditions 1 and 2, while conditions 3 through 5 would be eliminated or modified such that once the City has determined DMH has submitted a complete application for a Coastal Development Permit and DMH demonstrates the financial capacity to develop the project, they can request to exercise the Option.

The Option agreement includes:

- Remuneration to the District for the Option and exercising the Option.
- Reimbursement for legal fees for any amendments to the Option and/or Lease agreements.
- Restrictions on assignment of the Option.

As such, the District requires Derecktor reimburse for legal expenses associated with these amendments and pay any outstanding balance, when due, of the initial payment to exercise the Option, as outlined in the Option Agreement.

Since the current lease and option for the 50-year lease exceeds ten (10) years, the Board of Port Commissioners is required, pursuant to the California Harbors and Navigations Code Section 6270, to authorize and direct staff to publish a notice of its intent to adopt an Ordinance authorizing execution of the lease in the form attached hereto. A copy of the Notice of Proposed Ordinance is attached hereto for the Board's consideration.

If the Board of Port Commissioners adopt Resolution No. 3470 authorizing the Ventura Port District to publish a Notice of Proposed Ordinance for the Amendment Number 7 to the existing Master Lease and Option Agreement for 50-Year Lease (30-Year Lease with 20-Year Option) in a newspaper of general circulation the Board may then adopt the Ordinance on May 3, 2023 and the amendments to the existing Master Lease and Option Agreement will become effective immediately.

**FISCAL IMPACT:**

Legal fees are to be reimbursed by DMH per the Option Agreement. The District received \$5,000 from DMH as a deposit towards the legal fees.

**ATTACHMENTS:**

Attachment 1 – Resolution No. 3470  
Exhibit A – Notice of Proposed Ordinance  
Exhibit B – Amendment No. 7 of Existing Master Lease  
Exhibit C – Amendment of Option



**RESOLUTION NO. 3470**

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS  
OF THE VENTURA PORT DISTRICT TO APPROVING A NOTICE OF PROPOSED  
ORDINANCE FOR AMENDMENT NO. 7 TO THE EXISTING PARCEL 20 MASTER LEASE,  
AND AN AMENDMENT TO THE ASSIGNMENT AND OPTION AGREEMENT  
BETWEEN THE VENTURA PORT DISTRICT AND DERECKTOR MARINE HOLDINGS FOR  
A NEW 50-YEAR MASTER LEASE FOR PARCEL 20**

WHEREAS, the Ventura Port District (“District”) entered into a Master Lease (“Lease”) and an Assignment and Option Agreement with Derecktor Marine Holdings (DHM), on October 8, 2020 (“Option”), which option will entitle DMH to a new fifty (50) year lease (“Lease”) upon the meeting of certain conditions, as set forth in the Option.

WHEREAS, the parties now desire to amend the Lease and Assignment and Option.

WHEREAS, the Lease is for a period of fifty (50) years.

WHEREAS, pursuant to the California Harbors and Navigation Code section 6270, a lease of District property for a period of more than ten (10) years must be authorized by ordinance and published in a newspaper of general circulation in Ventura County at least once before final passage (Exhibit A).

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the Ventura Port District hereby authorizes and directs District staff to publish a notice of its intent to adopt an ordinance authorizing the approval of Amendment No. 7 to the existing Parcel 20 Master Lease and Amendment to the Assignment and Option Agreement in the form attached hereto as Exhibit B and Exhibit C, to comply with Harbors and Navigation Code section 6270.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Port Commissioners of Ventura Port District held this 19<sup>th</sup> day of April 2023, adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

---

Michael Blumenberg, Chair

---

Anthony Rainey, Secretary

**EXHIBIT A**

**NOTICE OF PROPOSED ORDINANCE  
OF THE VENTURA PORT DISTRICT**

(California Harbors and Navigation Code section 6270)

NOTICE IS HEREBY GIVEN that on May 3, 2023, at 7:00PM, a meeting of the Board of Port Commissions of the Ventura Port District will be held at the District office located at 1603 Anchors Way Drive, Ventura, California and via Zoom meeting.

Said meeting of the Board of Port Commissions is, in part, for the purpose of considering the adoption and passage of the following ordinance:

“ORDINANCE NO. 57”

AN ORDINANCE OF THE BOARD OF PORT COMMISSIONERS  
OF VENTURA PORT DISTRICT APPROVING  
AMENDMENT NO. 7 TO THE EXISTING PARCEL 20 MASTER LEASE, AND AMENDMENT  
OF THE ASSIGNMENT AND OPTION AGREEMENT BETWEEN THE DISTRICT AND  
DERECKTOR MARINE HOLDINGS FOR A NEW 50-YEAR MASTER LEASE  
FOR PARCEL 20

(California Harbors and Navigation Code section 6270)

The Board of Port Commissioners of the Ventura Port District hereby ordains as follows:

The General Manager of the Ventura Port District is authorized and directed to execute Amendment No. 7 and the Amended Assignment and Option Agreement between Ventura Port District, and Derecktor Marine Holdings, with a commencement date of May 3, 2023.”

A copy of the proposed Amendment No. 7 and Amended Assignment and Option Agreement is available for inspection during regular business hours at the District Office located at 1603 Anchors Way Drive, Ventura, California.

If the foregoing Ordinance is adopted upon the majority vote of the Board of Port Commissioners of the Ventura Port District, said Ordinance will become effective immediately after final passage.

This Notice is published at the direction of the Board of Port Commissioners pursuant to Resolution No. 3470 duly adopted at the regular meeting of the Board of Port Commissioners of the Ventura Port District held on April 19, 2023.

Brian D. Pendleton, General Manager  
Ventura Port District

## EXHIBIT B

**AMENDMENT NO. 7  
TO LEASE  
Between Ventura Port District and  
Derecktor Marine Holdings, LLC**

This Amendment No. 7 to Lease (“Amendment”) is made and entered into as of the \_\_\_\_ day of April, 2023, by and between VENTURA PORT DISTRICT, a port district formed under and pursuant to Part 4 of the California Harbors and Navigation Code of the state of California (“VPD”) and DERECKTOR MARINE HOLDINGS, LLC, a Delaware limited liability company (“Lessee”).

RECITALS

- A. VPD, Lessee, and Ventura Harbor Marine Associates, LLC (“VHMA”) entered into that certain Assignment and Option to Lease dated October 19, 2020 (“Option”), pursuant to which, among other things, (i) VHMA assigned to Lessee its interest in and to that certain Ground Lease dated August 1, 1989 by and between VPD and BANK OF A. LEVY, predecessor-in-interest to Lessee, as amended (“Lease”) and that certain License Agreement dated September 30, 1987, as amended (“License”); and (ii) VPD granted Lessee an option to lease certain land and water area defined therein as the “Premises.”
- B. The City of Ventura (“City”) is designing and constructing a water reuse project called the VenturaWaterPure Program (“Project”).
- C. The City has informed VPD and Lessee that the Project may affect Lessee’s future use of the Premises and interests in the Lease and License, as the Project’s implementation may result in related construction on and around the Premises, temporary closures of various areas within the Premises and certain adjacent streets during construction, building and development restrictions due to potential permanent easements through the Premises in favor of the City, and other unknown impacts.
- D. In light of the uncertainties and potential impacts on the Premises caused by the Project, Lessee requested VPD to make certain amendments to the Option.
- E. As part of the consideration for VPD to agree to amend the Option, Lessee agreed to amend the Lease as herein provided..

NOW, THEREFORE, in consideration of the Recitals, which are incorporated into this Amendment by reference, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.
2. Amendment to Article 5.3. Immediately following Paragraph (k) of Article 5.3 of the Lease, the following paragraph is hereby inserted:

## EXHIBIT B

“(1) All sums received as compensation for or in settlement of any claims for loss of use of Premises or business disruptions.”

3. Amendment to Article 12. The third paragraph of Article 12 of the Lease is hereby deleted and the following is hereby inserted in its place:

“Subject to Article 10.1, Lessee understands that from time to time during the term of the Lease, and at such times and intervals as may be determined by Lessor in its sole discretion, construction, rehabilitation, replacement, repair and restoration activities may be conducted by or under the authority of Lessor within Ventura Harbor. Lessee acknowledges that said activities and related operations, including the staging, storage, fishing, dredging and docking activities on other parcels in and around Ventura Harbor are necessary and for the benefit of Lessee, its subtenants, other lessees and the public, and that the conduct of such activities shall be deemed never to have disturbed or interfered with the possession and use of the Premises by Lessee or its subtenants, nor anyone claiming under Lessee or its subtenants, nor to have caused Lessee or its subtenants to be evicted, either actually or constructively, from the Premises, and shall, under no circumstances, entitle Lessee, its subtenants or others claiming under or through Lessee, to claim or recover incidental or consequential damages from Lessor on account of such activities and Lessee shall defend, protect, indemnify and hold harmless Lessor, its officers, elected officials, agents, consultants, attorneys, employees and volunteers from any such claims arising out of the City of Ventura’s WaterPure project made by or on behalf of Lessee; provided, however, that Lessee shall not have any obligation to defend, protect, indemnify or hold harmless Lessor for any such claims brought by subtenants (but not including any subtenants, directly or indirectly, controlled by, controlling, or under common control with Lessee) or any third parties.”

4. Amendment to Article 14.1. Article 14.1 of the Lease is hereby deleted and the following is hereby inserted in its place:

“Except as limited by Article 12, Lessee shall defend, protect, indemnify and hold harmless Lessor, its officers, elected officials, agents, consultants, attorneys, employees and volunteers (collectively the “Indemnified Parties” or individually an “Indemnified Party” for the purposes of this Article 14), from and against any and all claims, costs, demands, loss or liability of any kind or nature, including expenses and reasonable attorneys’ fees, which an Indemnified Party may sustain or incur or which may be imposed upon them, or any of them, for injury to or death of persons, or damage to property or other interests, as a result of, arising out of, or in any manner connected with this Lease or with the occupancy and use of the Premises by Lessee, its officers, agents, employees, subtenants, patrons, visitors, or trespassers except such claims and actions caused by Lessor’s gross negligence or willful misconduct. If any action or proceeding is brought against an Indemnified Party as provided in the preceding sentence, Lessee shall, upon notice from Lessor, defend the claim at Lessee’s sole expense with counsel of Lessee’s choosing that is reasonably satisfactory to Lessor. The obligation of Lessee hereunder to the Indemnified Parties shall cease upon the expiration of this Lease or the earlier termination thereof, or any period of holding over, except to the extent the act or event giving rise to such obligation occurred prior to the expiration of the Term or earlier termination of the Lease or any period of holding over.”

5. Amendment to Article 14.2. Immediately following the end of Article 14.2 of the Lease, the following paragraph is hereby inserted:

## EXHIBIT B

“Lessee acknowledges that Lessor has informed Lessee of the City of Ventura’s VenturaWaterPure project, which may traverse a portion of the Premises. Lessee understands that if the VenturaWaterPure project is routed through the Premises, then there may be related construction on the Premises, partial and temporary closures of various areas within the Premises and certain adjacent streets and rights of way during construction, potential permanent impacts such as new easement rights in favor of the City of Ventura on parts of the Premises, and additional impacts to be determined. Lessee further understands and agrees that Lessor is not responsible for and cannot control the City of Ventura’s plans with respect to the VenturaWaterPure project and therefore agrees to waive and hold Lessor harmless from any and all claims against Lessor in connection with the VenturaWaterPure project. The foregoing clause is in addition to, and in no way limits, Lessee’s general waiver of claims provided for above.”

6. Amendment to Article 37. Article 37 of the Lease is hereby deleted and the following is hereby inserted in its place:

**“37. Reservations to Lessor.**

(a) The Premises are accepted by Lessee subject to any and all existing easements, encumbrances, trusts, covenants and restrictions of record. Lessor reserves the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes and connections; water pipelines; telephone, fiberoptic, digital, cable television and power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across and along the Premises or any part thereof, and to enter the Premises for any and all such purposes. Lessor also reserves the right to grant franchises, easements, rights of way and permits in, over, upon, through, across and along any and all portions of the Premises, including all rights to air space above the Premises. Lessee acknowledges and agrees that Lessor shall have no obligation to compensate Lessee for any such grant of rights done out of necessity or at the request or demand of any duly empowered public entity for public or quasi-public use.

(b) If Lessor grants rights to third parties by reason of this clause, and such grant is made at the discretion of Lessor and not out of necessity or at the request or demand of any duly empowered public entity for public or quasi-public use, Lessor agrees to include provisions that require the surface to be restored as nearly as practicable to its original condition upon the completion of any construction.

(c) Lessor reserves to itself, for the benefit of the public, an easement over any walkways, bikeways, roadways, waterways, parking areas and other portions of the Premises which must be open and accessible to the public in order to facilitate and promote the public’s use and patronage of the Premises and Ventura Harbor.”

7. Amendment to Percentage Rent Rates. Exhibit B “Percentage Rent of Gross Income” of the Lease is amended to add the following percentage rent category and rate:

## EXHIBIT B

“Percentage Rent Category = Loss of Use/Business Disruption; Percentage Rent Rate = 6%”

8. No Further Modification. Except as specifically set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 7 as of the day and year first above written.

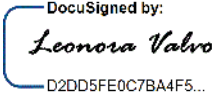
VPD

VENTURA PORT DISTRICT

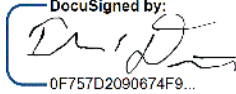
Lessee

DERECKTOR MARINE HOLDINGS, LLC

By: \_\_\_\_\_  
Mike Blumenberg, Chairman

By:  \_\_\_\_\_  
D2DD5FE0C7BA4F5... ), manager/member

By: \_\_\_\_\_  
Anthony Rainey, Secretary

By:  \_\_\_\_\_  
0F757D2090674F9... , manager/member



## EXHIBIT C

**AMENDMENT TO ASSIGNMENT AND OPTION TO LEASE**

This Amendment to Assignment and Option to Lease (“Amendment”) is made and entered into as of the \_\_\_\_ day of April, 2023, by and between VENTURA PORT DISTRICT, a port district formed under and pursuant to Part 4 of the California Harbors and Navigation Code of the state of California (“VPD”) and DERECKTOR MARINE HOLDINGS, LLC, a Delaware limited liability company (“Derecktor”).

RECITALS

- A. VPD, Derecktor, and Ventura Harbor Marine Associates, LLC (“VHMA”) entered into that certain Assignment and Option to Lease dated October 19, 2020 (“Option”), pursuant to which, among other things, (i) VHMA assigned to Derecktor its interest in and to that certain Ground Lease dated August 1, 1989, as amended (“Ground Lease”) and that certain License Agreement dated September 30, 1987, as amended (“License”); and (ii) VPD granted Derecktor an option to lease certain land and water area defined therein as the “Premises.”
- B. The City of Ventura (“City”) is designing and constructing a water reuse project called the VenturaWaterPure Program (“Project”).
- C. The City has informed VPD and Derecktor that the Project may affect Derecktor’s future use of the Premises and interests in the Ground Lease and License, as the Project’s implementation may result in related construction on and around the Premises, temporary closures of various areas within the Premises and certain adjacent streets during construction, building and development restrictions due to potential permanent easements through the Premises in favor of the City, and other unknown impacts.
- D. In light of the uncertainties and potential impacts on the Premises caused by the Project, Derecktor has requested VPD to make certain amendments to the Option.
- E. In consideration of the requested amendments to the Option, Derecktor agrees to certain other amendments to the Option and Ground Lease as provided herein.

NOW, THEREFORE, in consideration of the Recitals, which are incorporated into this Amendment by reference, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Option.
- 2. Amendment to Article 6.2. Article 6.2 of the Option is hereby deleted in its entirety and the following is hereby inserted in its place:

“6.2 In addition to the fee provided for in Article 6.1, Optionee agrees to pay Optionor a non-refundable fee of Fifty Thousand Dollars (\$50,000), which shall be paid in sixty (60) monthly installments. The first fifty-nine (59) installments shall be in the amount of Eight Hundred Thirty-Three Dollars and Thirty-Three Cents (\$833.33) and the sixtieth (60<sup>th</sup>) installment

## EXHIBIT C

shall be in the amount of Eight Hundred Thirty-Three Dollars and Fifty-Three Cents (\$833.53). Except for the first installment, which shall be paid contemporaneously with the execution of this Option to Lease, Optionee shall pay to Optionor each installment provided for in this Article 6.2 on or before the first day of each calendar month. Notwithstanding the foregoing, in the event that Optionee exercises the option granted to it in Article 4, or this Option to Lease is terminated before the fee provided for in this Article 6.2 is paid in full, Optionee shall immediately pay Optionor all remaining amounts to be paid under this Article 6.2.”

3. Amendment to Article 8.4. Article 8.4 of the Option is hereby deleted in its entirety and the following is hereby inserted in its place:

“8.4 The procedure and timing for submission and completion of the designs, plans, drawings, construction schedules and cost estimates relating to the improvements identified in Article 7.1 and utility relocation in Article 7.2 shall be as set forth in this Article 8.4:

<b>Deadline</b>	<b>Action</b>
4 months after date set forth in Article 1	<u>Optionee</u> : engage a qualified architect and/or engineer to conduct a review of the Premises and begin work on plan for the required improvements
1 year after date set forth in Article 1	<u>Optionee</u> : submit proposed final plan for the required improvements to Optionor
2 months after submission of proposed final plan	<u>Optionor</u> : review, comment and schedule for preliminary review and comments of Board of Commissioners
2 months after preliminary review of proposed final plan by Optionor	<u>Optionee</u> : adjust plans and resubmit to Optionor (as necessary) <u>Optionor</u> : select and retain a qualified environmental planner to perform a CEQA review at Optionee’s cost. Optionor will obtain a minimum of three proposals and will evaluate costs as part of the selection process.
2 months after completion of the CEQA review	<u>Optionor</u> : provide final approval of plan for the required improvements (as necessary)
End of Option Term	<u>Optionee</u> : provide written notice from the City that Optionee has provided a complete application for a Coastal Development Permit”

4. Amendment to Article 8.6. Article 8.6 of the Option is hereby deleted in its entirety and the following is hereby inserted in its place:

“8.6 In addition to all submittals to be made and approvals to be obtained by Optionee as provided in this Article 8, and prior to service of its written notice of intention to exercise the option granted in Article 4, above, as set forth in Article 12 below, Optionee shall provide written notice from the City that Optionee has provided a complete application for a Coastal Development Permit.”

5. Amendment to Article 12.1. Article 12.1 of the Option is hereby deleted in its entirety and the following is hereby inserted in its place:

## EXHIBIT C

“12.1 If this Option to Lease has not been terminated pursuant to Article 13 below, and after all Optionee’s obligations called for in Articles 7 and 8 have been performed, Optionee may at any time prior to expiration of the Option Term serve upon Optionor, in the manner provided herein, written notice of its intention to exercise the option granted in Article 4 above to execute the Lease. Prior to the giving of said notice, Optionee shall provide to Optionor evidence reasonably satisfactory to Optionor that adequate financing is likely to be available for the construction of the improvements specified in Article 7 and approved by Optionor under Article 8; and that Optionee has the financial ability to carry out and complete the said improvements. In the event the evidence of financing availability and financial ability submitted by Optionee is not reasonably acceptable to Optionor, Optionee shall, within fourteen (14) calendar days after receipt of notice from Optionor that said evidence or documents are unacceptable to Optionor, either cure said deficiency or within twenty (20) calendar days after receipt of said notice provide to Optionor security for compliance with the commencement, development and completion of the construction of the improvements required to be constructed under Article 7 above, as said security is required under Article 12.4 below. If said evidence of financing availability and financial ability is not acceptable to Optionor and Optionee fails to provide the security required under Article 12.4 below, then Optionor may, at its option, record the quitclaim deed provided by Optionee under Article 9.5 (including Exhibit “C” to this Option to Lease) above, terminating this Option to Lease and all of Optionee's interest thereunder and in the Premises.”

6. Deletion of Article 12.2. Article 12.2 of the Option is hereby deleted in its entirety.

7. Deletion of Article 12.3. Article 12.3 of the Option is hereby deleted in its entirety.

8. Amendment to Article 12.4. Article 12.4 of the Option is hereby deleted in its entirety and the following is hereby inserted in its place:

“12.4 If Optionee is required to provide security pursuant to Article 12.1, Optionor shall furnish, or cause to be furnished, least one of the following forms of security: (i) an unconditional written personal or corporate guaranty that the improvements to be constructed under Articles 7 and 8 hereof will be completed as required (provided the guarantor is in a Control relationship with Lessee and has a liquid net worth, in excess of five (5) times the total amount of the construction contract, documented to the reasonable satisfaction of Lessor); (ii) a bond of a responsible surety company approved in advance by Optionor and licensed to do business in California, in an amount not less than one hundred twenty-five percent (125%) of the estimated total cost of construction of the improvements to be constructed under Articles 7 and 8 hereof; (iii) an unconditional irrevocable letter of credit in a form approved by Optionor, in an amount not less than one hundred twenty-five percent (125%) of the estimated total cost of construction of the improvements to be constructed under Articles 7 and 8 hereof; (iv) a binding and acceptable loan agreement from the lender in a form approved by Optionor, in an amount not less than one hundred twenty-five percent (125%) of the estimated total cost of construction of the improvements to be constructed under Articles 7 and 8 hereof; or (v) such other security as may be approved in writing by Optionor in its sole discretion. If Optionee provides a bond or letter of credit under options (ii) or (iii) above, it shall remain in effect until the entire cost of the work has been paid in full and the improvements shall have been insured as required under the Lease. Said bond shall state that it is for the purpose of securing the completion of the proposed construction free of all claims and liens of contractors, subcontractors, mechanics, laborers and materialmen. Said bond shall further state

## EXHIBIT C

that the construction work shall be affected by Optionee, its general contractor, or in the event of default, by the surety. Said bond shall also provide that in the event of default of such completion and payment, such part of the amount of the bond as shall be required to complete the work shall be paid to Optionor as liquidated damages for the non-performance of Optionee's agreements, it being agreed and understood that, due to the circumstances of the case, it would be impractical or extremely difficult to fix Optionor's actual damage arising from such non-performance. In addition, said bond shall provide that the surety will defend and indemnify Optionor against all loss, cost, damages, expenses and liabilities arising out of or in connection with the construction of said improvements."

9. Amendment to Article 13.1. Article 13.1 of the Option is hereby deleted in its entirety and the following is hereby inserted in its place:

"13.1 Optionee acknowledges and understands that, by entering into this Option to Lease and agreeing to perform the various obligations required of it hereunder, a unique relationship between the parties has been created, especially with respect to the expectations of Optionor relating to the planning, design and, ultimately, the construction of the improvements required under Articles 7 and 8 above. Optionee understands that the benefits Optionor has bargained for hereunder are not only the option payment and other monetary commitments of Optionee under the Option to Lease, but also the periodic performance of the obligations set forth in Articles 8 and 12, such that the orderly improvement and expansion of the Premises can proceed in a timely fashion upon execution of the Lease attached as Exhibit "B." Because of the limited period within which Optionee must complete performance of said obligations, and the fact that each separate act to be performed by Optionee constitutes a material part of the consideration bargained for by Optionor under this Option to Lease, the Optionor and Optionee have agreed that certain acts in breach of this Option to Lease or failures to perform by Optionee shall operate to automatically terminate this Option to Lease, thereby resulting in forfeiture, cancellation and annulment of all rights and interests of Optionee hereunder, except for the interest Optionee acquires hereunder by Assignor's assignment of its interest in the Ground Lease and License. Such termination shall be automatic upon the passage of ten (10) calendar days after written notice to Optionee of such breach or failure to perform and without the performance of any further act by Optionor provided Optionee has not cured such breach or failure to perform during said ten (10) day period. Such automatic termination shall occur upon the happening of any of the following events, unless specifically and expressly waived in writing by Optionor:

(a) Failure to submit schematic plans, preliminary plans, working drawings, cost estimates, construction schedules, environmental assessments or draft supplemental or subsequent CEQA documents to Optionor or to the City, California Coastal Commission, or any other applicable government entity with jurisdiction over the development, as the case may be, within the time periods specified in Article 8 above.

(b) Failure to submit evidence of financing availability and financial ability within the time period specified in Article 12 above.

(c) The actual or attempted assignment, transfer or encumbrance of Optionee's interest in this Option to Lease, or any portion thereof, without the prior written consent of Optionor.

## EXHIBIT C

(d) The filing of a voluntary petition in bankruptcy or for reorganization or for an arrangement by Optionee, or any of its general partners if Optionee is a partnership or limited partnership, or any of its managing member(s) if Optionee is a limited liability company, or adjudication of Optionee as a bankrupt or insolvent, or appointment of a receiver of the business or of the assets of Optionee unless discharged within thirty (30) calendar days (except a receiver appointed at the instance or request of Optionor), or a general assignment by Optionee, or an assignment for the benefit of its creditors.

(e) As to the option granted in Article 4 the passage of sixty (60) months from the date set forth in Article 1 of this Option to Lease, or longer in accordance with any extension of the Option Term granted under Article 4.2, above.

(f) Recordation of the quitclaim deed provided for in Article 9 above and identified as Exhibit "C," pursuant to its terms."

10. Addition of Article 28. Immediately following Article 27, the following is hereby inserted:

"27. PAYMENT OF OUTSTANDING BALANCES

Upon the termination of this Option to Lease, or execution of the Lease, whichever is first to occur, Optionee shall immediately pay to Optionor all amounts owing to Optionor under this Option to Lease, including, but not limited to, all legal and other professional fees owed."

11. Exhibit B. Exhibit B of the Option is hereby replaced in its entirety by the Exhibit B attached hereto and incorporated herein by reference.

12. No Further Modification. Except as specifically set forth in this Amendment, all of the terms and provisions of the Option shall remain unmodified and in full force and effect.


13. Amendment to Ground Lease and License. In consideration of VPD entering into this Amendment, Derecktor agrees to amend the terms of the Ground Lease and License by executing the Amendment No. 7 to Lease attached hereto as Exhibit A and incorporated herein by reference.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

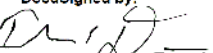
VPD  
VENTURA PORT DISTRICT

Derecktor  
DEREKTOR MARINE HOLDINGS, LLC

By: \_\_\_\_\_  
Mike Blumenberg, Chairman

By:  \_\_\_\_\_  
D2DD5FE0C7BA4F5..., manager/member

By: \_\_\_\_\_  
Anthony Rainey, Secretary

By:  \_\_\_\_\_  
0F757D2090674F9..., manager/member

**EXHIBIT C**

**EXHIBIT A**

**Amendment No. 7 to Lease**

**[ATTACHED]**

## EXHIBIT C

**AMENDMENT NO. 7  
TO LEASE  
Between Ventura Port District and  
Derecktor Marine Holdings, LLC**

This Amendment No. 7 to Lease (“Amendment”) is made and entered into as of the \_\_\_\_ day of April, 2023, by and between VENTURA PORT DISTRICT, a port district formed under and pursuant to Part 4 of the California Harbors and Navigation Code of the state of California (“VPD”) and DERECKTOR MARINE HOLDINGS, LLC, a Delaware limited liability company (“Lessee”).

RECITALS

- A. VPD, Lessee, and Ventura Harbor Marine Associates, LLC (“VHMA”) entered into that certain Assignment and Option to Lease dated October 19, 2020 (“Option”), pursuant to which, among other things, (i) VHMA assigned to Lessee its interest in and to that certain Ground Lease dated August 1, 1989 by and between VPD and BANK OF A. LEVY, predecessor-in-interest to Lessee, as amended (“Lease”) and that certain License Agreement dated September 30, 1987, as amended (“License”); and (ii) VPD granted Lessee an option to lease certain land and water area defined therein as the “Premises.”
- B. The City of Ventura (“City”) is designing and constructing a water reuse project called the VenturaWaterPure Program (“Project”).
- C. The City has informed VPD and Lessee that the Project may affect Lessee’s future use of the Premises and interests in the Lease and License, as the Project’s implementation may result in related construction on and around the Premises, temporary closures of various areas within the Premises and certain adjacent streets during construction, building and development restrictions due to potential permanent easements through the Premises in favor of the City, and other unknown impacts.
- D. In light of the uncertainties and potential impacts on the Premises caused by the Project, Lessee requested VPD to make certain amendments to the Option.
- E. As part of the consideration for VPD to agree to amend the Option, Lessee agreed to amend the Lease as herein provided..

NOW, THEREFORE, in consideration of the Recitals, which are incorporated into this Amendment by reference, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.
2. Amendment to Article 5.3. Immediately following Paragraph (k) of Article 5.3 of the Lease, the following paragraph is hereby inserted:



## EXHIBIT C

“(1) All sums received as compensation for or in settlement of any claims for loss of use of Premises or business disruptions.”

3. Amendment to Article 12. The third paragraph of Article 12 of the Lease is hereby deleted and the following is hereby inserted in its place:

“Subject to Article 10.1, Lessee understands that from time to time during the term of the Lease, and at such times and intervals as may be determined by Lessor in its sole discretion, construction, rehabilitation, replacement, repair and restoration activities may be conducted by or under the authority of Lessor within Ventura Harbor. Lessee acknowledges that said activities and related operations, including the staging, storage, fishing, dredging and docking activities on other parcels in and around Ventura Harbor are necessary and for the benefit of Lessee, its subtenants, other lessees and the public, and that the conduct of such activities shall be deemed never to have disturbed or interfered with the possession and use of the Premises by Lessee or its subtenants, nor anyone claiming under Lessee or its subtenants, nor to have caused Lessee or its subtenants to be evicted, either actually or constructively, from the Premises, and shall, under no circumstances, entitle Lessee, its subtenants or others claiming under or through Lessee, to claim or recover incidental or consequential damages from Lessor on account of such activities and Lessee shall defend, protect, indemnify and hold harmless Lessor, its officers, elected officials, agents, consultants, attorneys, employees and volunteers from any such claims arising out of the City of Ventura’s WaterPure project made by or on behalf of Lessee; provided, however, that Lessee shall not have any obligation to defend, protect, indemnify or hold harmless Lessor for any such claims brought by subtenants (but not including any subtenants, directly or indirectly, controlled by, controlling, or under common control with Lessee) or any third parties.”

4. Amendment to Article 14.1. Article 14.1 of the Lease is hereby deleted and the following is hereby inserted in its place:

“Except as limited by Article 12, Lessee shall defend, protect, indemnify and hold harmless Lessor, its officers, elected officials, agents, consultants, attorneys, employees and volunteers (collectively the “Indemnified Parties” or individually an “Indemnified Party” for the purposes of this Article 14), from and against any and all claims, costs, demands, loss or liability of any kind or nature, including expenses and reasonable attorneys’ fees, which an Indemnified Party may sustain or incur or which may be imposed upon them, or any of them, for injury to or death of persons, or damage to property or other interests, as a result of, arising out of, or in any manner connected with this Lease or with the occupancy and use of the Premises by Lessee, its officers, agents, employees, subtenants, patrons, visitors, or trespassers except such claims and actions caused by Lessor’s gross negligence or willful misconduct. If any action or proceeding is brought against an Indemnified Party as provided in the preceding sentence, Lessee shall, upon notice from Lessor, defend the claim at Lessee’s sole expense with counsel of Lessee’s choosing that is reasonably satisfactory to Lessor. The obligation of Lessee hereunder to the Indemnified Parties shall cease upon the expiration of this Lease or the earlier termination thereof, or any period of holding over, except to the extent the act or event giving rise to such obligation occurred prior to the expiration of the Term or earlier termination of the Lease or any period of holding over.”

5. Amendment to Article 14.2. Immediately following the end of Article 14.2 of the Lease, the following paragraph is hereby inserted:



## EXHIBIT C

“Lessee acknowledges that Lessor has informed Lessee of the City of Ventura’s VenturaWaterPure project, which may traverse a portion of the Premises. Lessee understands that if the VenturaWaterPure project is routed through the Premises, then there may be related construction on the Premises, partial and temporary closures of various areas within the Premises and certain adjacent streets and rights of way during construction, potential permanent impacts such as new easement rights in favor of the City of Ventura on parts of the Premises, and additional impacts to be determined. Lessee further understands and agrees that Lessor is not responsible for and cannot control the City of Ventura’s plans with respect to the VenturaWaterPure project and therefore agrees to waive and hold Lessor harmless from any and all claims against Lessor in connection with the VenturaWaterPure project. The foregoing clause is in addition to, and in no way limits, Lessee’s general waiver of claims provided for above.”

6. Amendment to Article 37. Article 37 of the Lease is hereby deleted and the following is hereby inserted in its place:

**“37. Reservations to Lessor.**

(a) The Premises are accepted by Lessee subject to any and all existing easements, encumbrances, trusts, covenants and restrictions of record. Lessor reserves the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes and connections; water pipelines; telephone, fiberoptic, digital, cable television and power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across and along the Premises or any part thereof, and to enter the Premises for any and all such purposes. Lessor also reserves the right to grant franchises, easements, rights of way and permits in, over, upon, through, across and along any and all portions of the Premises, including all rights to air space above the Premises. Lessee acknowledges and agrees that Lessor shall have no obligation to compensate Lessee for any such grant of rights done out of necessity or at the request or demand of any duly empowered public entity for public or quasi-public use.

(b) If Lessor grants rights to third parties by reason of this clause, and such grant is made at the discretion of Lessor and not out of necessity or at the request or demand of any duly empowered public entity for public or quasi-public use, Lessor agrees to include provisions that require the surface to be restored as nearly as practicable to its original condition upon the completion of any construction.

(c) Lessor reserves to itself, for the benefit of the public, an easement over any walkways, bikeways, roadways, waterways, parking areas and other portions of the Premises which must be open and accessible to the public in order to facilitate and promote the public’s use and patronage of the Premises and Ventura Harbor.”

7. Amendment to Percentage Rent Rates. Exhibit B “Percentage Rent of Gross Income” of the Lease is amended to add the following percentage rent category and rate:

## EXHIBIT C

“Percentage Rent Category = Loss of Use/Business Disruption; Percentage Rent Rate = 6%”

8. No Further Modification. Except as specifically set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 7 as of the day and year first above written.

VPD

VENTURA PORT DISTRICT

Lessee

DERECKTOR MARINE HOLDINGS, LLC

By: \_\_\_\_\_  
Mike Blumenberg, Chairman

By: \_\_\_\_\_  
Leonora Valvo, manager/member

By: \_\_\_\_\_  
Anthony Rainey, Secretary

By: \_\_\_\_\_  
Tom Derecktor, manager/member

**EXHIBIT C**

**EXHIBIT B**

**Lease**

**[ATTACHED]**

EXHIBIT C

**LEASE**

**BETWEEN**

**VENTURA PORT DISTRICT**

**AND**

**DERECKTOR MARINE HOLDINGS, LLC.**

## EXHIBIT C

**LEASE  
BETWEEN  
VENTURA PORT DISTRICT  
AND  
DERECKTOR MARINE HOLDINGS, LLC.**

**TABLE OF CONTENTS**

<u>Article</u>	<u>Page</u>
1. Identification.....	1
2. Recitals.....	1
3. Definitions.....	1
4. Lease of Premises.....	1
5. Term.....	2
5.1. Lease Term.....	2
5.2. Option to Extend Lease Term.....	2
6. Rent.....	2
6.1 Minimum Annual Rent Paid Monthly.....	2
6.2 Percentage Rent .....	3
6.3 Appreciation Rent .....	3
6.4 Penalties and Late Charges .....	3
6.5 Maintenance of Records .....	4
6.6 Monthly and Annual Statements by Lessee, Verification of Records, Computation, Payment and Correction of Additional Percentage Rent .....	5
6.7. Acceptance Not Waiver; Retention of Records.....	6
6.8. Adjustment of Minimum Annual Rent.....	6
6.9. Adjustment of Percentage Rent.....	6
6.10. Lessee's Covenant of Best Efforts.....	9
6.11. Negation of Partnership.....	9
7. Uses.....	10
7.1. Permitted Uses.....	10
7.2. Other Uses.....	10
8. Improvements to the Premises.....	10
8.1. Required Improvements and Landscaping.....	10
8.2. Planning, Design and Construction of Additional Improvements.....	11
8.3. Alterations or Modifications.....	12
8.4. Utilities.....	12
8.5. As-Built Plans and Substantial Compliance.....	13
8.6. Signs.....	13

## EXHIBIT C

<u>Article</u>	<u>Page</u>
9. Security.....	13
9.1. Security Deposit.....	13
9.2. Security for Compliance with Commencement, Development, and Completion of Construction of Required and Additional Improvements or Alterations on the Premises.....	14
9.3. Quitclaim Deed.....	15
9.4. Negation of Warranties, Lessee Waivers, Litigation Limitations and Stipulation.....	15
10. Lessee's Obligation to Maintain and Repair.....	16
10.1. Normal Repairs.....	16
10.2. Interim Modernization of Leasehold Improvements.....	17
10.3. Security for Modernization.....	18
10.4. Planning, Design and Construction Process for Modernization Work.....	18
10.5. Removal of Water Area Obstructions.....	18
11. Maintenance and Repair by Lessor.....	19
11.1. Lessor's Right of Entry for Purposes of Repair.....	19
11.2. Limitations on Lessor's Obligation to Repair.....	20
11.3. Fairway Water Depth.....	
12. Surrender of Premises.....	20
12.1. Lessee's Obligation to Surrender upon Expiration of Lease Term or upon Termination.....	20
12.2. Ownership of Trade Fixtures upon Expiration or Termination.....	21
12.3. Security for Surrender of Premises.....	21
13. Title and Warranties.....	21
13.1. Disclaimer of Warranties.....	21
13.2. Lessee's Quiet Possession.....	22
13.3. Lessee Acknowledgments and Waiver.....	22
14. Encumbrance of Leasehold.....	23
14.1. Lessee's Right to Encumber To Finance Construction of Improvements.....	23
14.2. Lessor's Approval of Encumbrance and Processing Fee.....	25
14.3. Lessor's Option to Permit Refinancing.....	26
14.4. Rights of the Encumbrance Holder.....	26
15. Indemnification, Hold Harmless and Insurance.....	29
15.1. Indemnification.....	29
15.2. Waiver of Claims.....	29
15.3. Hazardous Materials and Environmental Indemnity.....	30
15.4. Insurance.....	32

## EXHIBIT C

<u>Article</u>	<u>Page</u>
16. Assignment and Subletting.....	36
16.1. Restrictions on Assignment.....	36
16.2. Assignments Pursuant to the Bankruptcy Code.....	39
16.3. Restrictions on Subletting.....	40
16.4. Lessor's Discretion.....	42
16.5. Sublease Income.....	42
16.6. Transfer on Termination.....	42
16.7. Assignment and Sublease Documents.....	42
16.8. Consent Not a Waiver.....	43
17. Default.....	43
17.1. Definition of Default.....	43
17.2. Lessee's Right to Cure a Default.....	45
17.3. Lessor Remedies.....	46
17.4. Right of Re-entry.....	47
17.5. Percentage Rent upon Default.....	47
17.6. Lessor's Right to Cure Default.....	47
17.7. Attorneys' Fees.....	48
17.8. Right to Legal and Equitable Remedies, Waiver and Judicial Reference.....	48
17.9. Rights of Subtenant.....	48
17.10. No Lessee Rights After Termination.....	48
18. [reserved].....	49
19. Appreciation Rent.....	49
19.1. Payable Upon Refinancing.....	49
19.2. Payable Upon Assignment.....	49
20. Condemnation.....	49
20.1. Termination on Total Taking.....	49
20.2. Termination on Partial Taking.....	49
20.3. Adjustment of Rent on Partial Taking.....	49
20.4. Allocation of Award.....	50
20.5. Proration of Rent and Repayment of Security Deposit.....	50
21. Destruction.....	50
21.1. Destruction by Non-Insurable Peril.....	50
21.2. Destruction of Lessor Owned, Controlled or Maintained Improvement.....	51
21.3. Termination or Destruction by Non-Insurable Peril.....	51
21.4. Proration of Rent and Repayment of Security Deposit on Termination.....	51
21.5. Adjustment of Rent Upon Less Than Total Destruction by Non-Insurable Peril.....	51

## EXHIBIT C

<u>Article</u>	<u>Page</u>
21.6 Destruction by Insurable Peril.....	52
21.7 Lessor's Reversionary Option.....	52
21.8 Controlling Agreement.....	53
22. Abandonment.....	53
23. Waiver of Breach.....	53
24. Compliance with the Law.....	53
24.1 Rules, Statutes and Ordinances.....	53
24.2 Judicial Decrees.....	54
25. Operating Hours and Operating Procedures.....	54
25.1 Continuous Operation.....	54
25.2 Public Purpose.....	54
25.3 Operating Rules.....	54
26. [reserved].....	54
27. Controlled Prices.....	54
28. Taxes.....	55
29. Waste.....	55
30. Holding Over.....	55
31. Non-Discrimination.....	55
32. Coastal Permits.....	56
33. Notices.....	56
34. Reservations to Lessor.....	56
35. Successors.....	57
36. Captions.....	57
37. Time.....	57
38. Gender and Number.....	57
39. Savings Clause.....	57
40. Recordation of Memorandum of Lease.....	57
41. Estoppel Certificate.....	57
42. Amendments.....	58
43. Execution in Counterparts.....	58



EXHIBIT C

<u>Article</u>	<u>Page</u>
44. Interpretation.....	58
45. [reserved].....	58
46. Payments as Additional Rent.....	58
47. No Broker.....	59
48. Authority.....	59

EXHIBIT C

**INDEX OF EXHIBITS**

Exhibit “A” – DEFINITIONS

Exhibit “B” – LEGAL DESCRIPTION OF PREMISES

Exhibit “C” – PERCENTAGE RENT RATES

Exhibit “D” – PERMITTED USES

Exhibit “E” – REQUIRED IMPROVEMENTS

Exhibit “F” – QUITCLAIM DEED

Exhibit “G” – MEMORANDUM OF LEASE

Exhibit “H” – PERSONAL GUARANTY

## EXHIBIT C

LEASE**1. Identification.**

This Lease, hereafter the “Lease,” is made, entered into and effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between VENTURA PORT DISTRICT, a California port district, hereafter “Lessor,” and DERECKTOR MARINE HOLDINGS, LLC., a Delaware limited liability company, hereafter “Lessee.” Lessor and Lessee are sometimes referred to individually hereafter as a “Party” or collectively as the “Parties.”

**2. Recitals.**

- 2.1. Lessor is the owner of certain land and water area within the City of San Buenaventura (hereafter “City”), County of Ventura, which Lessor is developing, improving and operating as a harbor known as “Ventura Harbor.”
- 2.2. A portion of the area within said harbor known as Parcel 20, consisting of approximately 6.94 acres (including 0.3 acre increase to water space accounting for plan proposed in 2015 MND Plan).
- 2.3. Lessee desires to lease Parcel 20 as more particularly described herein, for commercial development of a mixed-use marina and boatyard (sometimes hereinafter referred to as the “marina”).
- 2.4. Lessor and Lessee previously entered into that certain Assignment and Option to Lease dated October 19, 2020 as amended by that certain Amendment to Assignment and Option to Lease dated \_\_\_\_\_, 2022 (the “Option to Lease”), wherein the Parties agreed to, among other things, certain provisions concerning the planning and design of the marina on Parcel 20 over an approximately five (5) year span, and contemplated the execution of this Lease to commence immediately after the termination of the Option to Lease.
- 2.5. Lessor is willing to lease Parcel 20 to Lessee on the terms, provisions and conditions set forth herein and, for that reason, the Parties are entering into this Lease.

**3. Definitions.**

For purposes of this Lease, and unless Lessor and Lessee otherwise agree in writing, all capitalized words and terms used herein shall have the meanings and definitions specified in Exhibit “A” attached hereto, or as defined in this Lease.

## EXHIBIT C

**4. Lease of Premises.**

Lessor hereby leases to Lessee, and Lessee takes and leases from Lessor, for the period of time and upon the terms and conditions set forth herein, Parcel 20 and portions of adjacent water space, hereafter referred to as the "Premises," as legally described in Exhibit "B" attached hereto, initialed by the Parties and by this reference incorporated herein. This Lease and all rights and privileges granted to Lessee in the Premises are subject to all covenants, conditions, restrictions and exceptions of record or apparent, and any and all applicable laws, ordinances, codes and regulations including those of the City and California Coastal Commission, as well as any applicable provisions of the California Harbors and Navigation Code.

**5. Term.****5.1. Lease Term.**

Unless sooner terminated or extended as hereinafter provided, the term of this Lease, hereafter "Lease Term," shall expire upon the passage of thirty (30) years commencing on the date indicated in Article 1, above, and ending thirty (30) years from such date.

**5.2. Option to Extend Lease Term.**

Lessor hereby grants to Lessee an option to extend the Lease Term for an additional period of twenty (20) years, commencing on the thirtieth (30<sup>th</sup>) anniversary of the date indicated in Article 1, on the same terms, covenants and conditions as are contained in this Lease, except as provided otherwise in this Article 5.2. This option to extend the Lease Term shall only be exercisable if all of the following conditions are met:

- (a) Lessee provides written notice to Lessor no less than twenty-four (24) months before the thirtieth (30<sup>th</sup>) anniversary of the date indicated in Article 1 that Lessee is exercising this option to extend the Lease Term;
- (b) Lessee is in full compliance with all terms and conditions of this Lease at the time Lessee exercises this option to extend the Lease Term and at the thirtieth (30<sup>th</sup>) anniversary of the date indicated in Article 1.
- (c) Lessee completes the Modernization Plan as provided in Article 10; and
- (d) Lessee pays to Lessor a one-time extension fee of Two Hundred Thousand Dollars (\$200,000).

**6. Rent.****6.1. Minimum Annual Rent Paid Monthly.**

During the entirety of the Lease Term, Lessee shall pay a minimum annual rent in monthly installments as set forth herein.

## EXHIBIT C

(a) From the start of the Lease Term until the last day of the month of the Construction Start Date (as defined in Article 8.1(c)(ii)), Lessee shall pay to Lessor in advance on or before the first day of each calendar month, at the office of the Lessor, without deduction or offset, and without abatement except as expressly provided in Articles 20 and 21, below, a minimum annual rent of Ninety Thousand Dollars (\$90,000), paid in equal monthly installments of Seven Thousand Five Hundred Dollars (\$7,500).

(b) Beginning with the first month immediately following the Construction Start Date, Lessee shall pay to Lessor in advance on or before the first day of each calendar month, at the office of the Lessor, without deduction or offset, and without abatement except as expressly provided in Articles 20 and 21, below, a minimum annual rent of Sixty Thousand Dollars (\$60,000), paid in equal monthly installments of Five Thousand Dollars (\$5,000).

(c) Beginning with forty-ninth (49th) month following the Construction Start Date, Lessee shall pay to Lessor in advance on or before the first day of each calendar month, at the office of the Lessor, without deduction or offset, and without abatement except as expressly provided in Articles 20 and 21, below, a minimum annual rent of One Hundred Eighty Thousand Dollars (\$180,000), paid in equal monthly installments of Fifteen Thousand Dollars (\$15,000).

(c) Beginning with the one hundred twenty-first (121st) month of the Lease Term, and after every sixty (60) month period of the Lease Term thereafter, the minimum annual rent shall be adjusted pursuant to Article 6.8, below.

## 6.2. **Percentage Rent.**

During the Lease Term, Lessee shall also pay to Lessor, at the times and in the manner hereinafter specified, without deduction or offset, an amount equal to the total of the percentages of the Gross Revenue, in, upon or derived from the Premises, or from activities conducted on or connected with the Premises, including from any property described in paragraph (d) of the definition of "Excess Proceeds" set forth in Exhibit "A", during each year of the Lease Term on a monthly basis, to the extent that such amount exceeds the minimum annual rent paid by Lessee for that year. The percentages of Gross Revenue which Lessee agrees to pay to Lessor are as set forth in Exhibit "C" attached hereto, initialed by the Parties and by this reference incorporated herein. The percentage rent rates set forth on Exhibit "C" are subject to adjustment as provided in Article 6.9, below.

## 6.3. **Appreciation Rent.**

In addition to the rents specified in Articles 6.1 and 6.2 above, Lessee shall pay to Lessor, without deduction or offset, such amount or amounts as may be calculated and determined to be due as and for Appreciation Rent pursuant to and at the times and in the manner specified in Article 19, below.

## EXHIBIT C

**6.4. Penalties and Late Charges.**

If Lessee fails to make any payment to Lessor of any sum of money due under this Lease, whether rent, a fee, assessment or charge of any type or nature, or taxes, such payment shall be deemed to be and treated for purposes of this Lease to be additional rent, and if such delinquency continues for ten (10) calendar days following the due date thereof, there shall be imposed a late charge equal to ten percent (10%) of said payment which shall be added to the amount due and the total sum shall become immediately due and payable to Lessor. An interest charge equal to ten percent (10%) or the maximum rate allowed by law, whichever rate is less, of the total amount due and unpaid, (including interest previously assessed), shall be added for each month, or portion thereof, that said amount remains unpaid; however, the total interest charges shall not exceed the maximum amount permitted by law. All payments required under this Lease shall be tendered in United States currency by check or electronic transfer/debit as may be accepted by Lessor.

**6.5. Maintenance of Records.**

(a) Lessee shall at all times during the term of this Lease, keep or cause to be kept, full, true, complete, accurate and proper books, records and accounts of Gross Revenue and all financial transactions for all business and commercial activities of whatever nature conducted on or connected with the Premises pursuant to the rights granted herein (hereafter "Records") including all transactions of Lessee and any of its Subtenants. Said Records must be supported by original source documents such as cash register tapes, computerized sales records, purchase invoices, or other pertinent documents, including contracts and agreements related to the financial transactions.

(b) All retail sales and charges shall be recorded by means of cash registers, point-of-sale computers or other comparable devices which display to the customer the amount of the transaction and automatically issue a sales receipt. The registers shall be equipped with devices which lock in sales totals and other transaction records, or with counters which are not resettable and which record transaction numbers and sales details. Totals registered shall be recorded at the beginning and end of each day. If point-of-sale computers are used, the software must not permit modification of transactions once they are recorded. Systems must provide for accessible back-up copies of computer-readable storage, whether physically on-site, remotely off-site, or via cloud storage.

(c) In the event of admission charges or fees, Lessee shall issue serially numbered tickets for each such admission or fee and shall keep an adequate and accurate record of said tickets, both issued and unissued.

(d) All Records related to this Lease or to business operations conducted on, from, or connected with the Premises, including such books, accounts and records of Lessee and its Subtenants, shall be kept and made available at one location within the limits of the County of Ventura. Lessor shall, through its duly authorized agents or representatives, have the right to examine and audit said Records upon five (5) calendar days' advance written notice for the purpose of determining the accuracy thereof, and of the monthly and annual statements of sales

## EXHIBIT C

made and monies received. Lessor may disclose such information, data and documents provided and made available to Lessor for any reasonable commercial purpose, or as may be required by law. Lessee shall keep, or cause to be kept, full, complete, accurate and proper books, records and accounts of the Gross Revenue of each separate business operated at any time on the Premises by Lessee and/or its Subtenants. Said books, records and accounts, including any sales tax reports that Lessee and its Subtenants may be required to furnish to any governmental agency, shall be open to the inspection of and copying by Lessor, Lessor's auditor, or other authorized representative or agent of Lessor upon five (5) calendar days' advance written notice during business hours.

**6.6. Monthly and Annual Statements by Lessee, Verification of Records, Computation, Payment and Correction of Percentage Rent.**

(a) Within twenty (20) calendar days after the end of each calendar month during the Lease Term, Lessee shall furnish Lessor with a statement in the form prescribed by Lessor and certified as correct by Lessee, which sets forth the Gross Revenue of each separate business of Lessee and its Subtenants operating on the Premises for the month just concluded. Concurrently with delivery of each statement to Lessor, Lessee shall pay Lessor the amount of percentage rent due, if any, based on the application of percentages set forth in Exhibit "C" to said Gross Revenue, as shown in said statement, taking into account the minimum annual rent already paid pursuant to Article 6.1.

(b) Within sixty (90) calendar days after the end of each calendar year during the Lease Term, Lessee shall prepare and submit to Lessor a balance sheet, income and other financial statements prepared or audited by an independent certified public accountant, reflecting all business transacted on or from the Premises by Lessee and its Subtenants during the preceding calendar year. In such submittal, the certified public accountant, retained at Lessee's sole cost and expense, shall attest that the balance sheet, income and other financial statements submitted are accurate representations of Lessee's Records as reported to the United States of America for income tax purposes.

(c) Concurrently with the foregoing submittal of financial documents covering each calendar year, Lessee shall submit to Lessor a statement certified as to its accuracy by an independent certified public accountant as to the total Gross Revenue derived from the Premises for the calendar year for all business conducted on, from, or connected with the Premises during said calendar year. Further, Lessee shall separately identify each source of Gross Revenue by business name (including Lessee and any of its Subtenants conducting any business activities whatsoever on the Premises), or other appropriate identification, specifying the exact amount of Gross Revenue derived from that source during said calendar year. The statement shall also specify all amounts received by Lessee from any Subtenants, including a separate specification of all amounts paid as deposits, fees, rents, common area charges, monetary equivalents, pass through rents or other considerations with a monetary equivalent.

(d) In the event such annual statement discloses that the percentage rent based on the annual Gross Revenue from the Premises for the preceding calendar year exceeds the total amount of minimum annual and percentage rents paid to Lessor by Lessee during said period,

## EXHIBIT C

Lessee shall pay the amount of such deficiency in percentage rent to Lessor concurrently with the submission of said statement to Lessor. Should the annual statement disclose an overpayment of percentage rent for the preceding calendar year, the amount of such overpayment shall be retained by Lessor, bear no interest, and be credited against future percentage rents under this Lease as and when such percentage rent becomes payable to Lessor.

(e) If upon audit by Lessor it is disclosed that the Gross Revenue reported by Lessee for any calendar month or as set forth in the certified annual statement was understated by three percent (3%) or more, Lessee shall pay, in addition to making payment of the percentage rent due to Lessor for that month or, in the case of an audit of the annual statement, for that calendar year, the cost of said audit on demand. Audit costs when payable by Lessee would include, but not be limited to all outside accounting, auditing, bookkeeping and computer fees and expenses, administrative, financial and economic consultant fees, and related legal fees.

(f) Should the auditor submit a report to Lessor containing recommendations for changes in accounting procedures and/or records retention practices of Lessee or any Subtenant of Lessee, Lessor shall deliver a copy of said report to Lessee and, promptly thereafter, Lessee and Lessor shall meet and confer to take all reasonable steps agreeable to implement the recommended changes in procedures and practices.

#### **6.7. Acceptance Not Waiver; Retention of Records.**

(a) The acceptance by Lessor of any monies paid to Lessor by Lessee as rent for the Premises, whether shown by any statement furnished by Lessee or otherwise specified in this Lease, shall not constitute an admission of the accuracy or the sufficiency of the amount of said rent payment, but Lessor shall be entitled at any time within three (3) years after the receipt of any such rental payment to question the sufficiency of the amount thereof and/or the accuracy of any statement or statements furnished by Lessee.

(b) For the purpose of enabling Lessor to check the accuracy of any statement or statements submitted by Lessee under this Article 6, and the sufficiency of any additional percentage rent payment made in accordance therewith, or as otherwise specified in this Lease, Lessee shall keep or cause to be kept safe and intact for said period of five (5) years after submission to Lessor of any such statement, all of Lessee's Records which in any way bear upon or are required to establish in detail the Gross Revenue derived from or in connection with activities conducted on or in connection with the Premises as shown by any such statement, and shall, upon Lessor's request, make the same available to Lessor for examination at any time during said five (5) year period. Lessee shall require that all its Subtenants so keep, maintain and retain records of their business activities conducted on the Premises for such five (5) year period, which records shall be made available to Lessor, Lessor's auditor, or other authorized representative or agent of Lessor for inspection and copying upon five (5) calendar days' advance written notice by Lessor to Lessee or directly to any Subtenant of Lessee.

(c) Lessee shall cooperate and make available all information requested by Lessor, an arbitrator, or a mediator in connection with the adjustment and renegotiation of rents



## EXHIBIT C

provided for in this Lease, including any and all information regarding costs, expenses, earnings and profits of Lessee or its Subtenants.

#### 6.8. Adjustment of Minimum Annual Rent.

(a) At the expiration of the initial one hundred twenty (120) months of the Lease Term, and each succeeding sixty (60) month period of the Lease Term thereafter, the minimum annual rent provided for in Article 6.1 shall be adjusted. Said adjustment shall be effected as follows:

(i) Within thirty (30) calendar days after expiration of said initial one hundred twenty (120) month period of the Lease Term, the average of the combined minimum annual and percentage rents payable during the immediately preceding sixty (60) months of the Lease Term shall be calculated. The minimum annual rent to be paid in equal monthly installments for the sixty (60) month period next succeeding the initial one hundred twenty (120) month period shall be an amount equal to seventy-five percent (75%) of said average total rent, but in no event shall the minimum annual rent ever decrease.

(b) At the expiration of each succeeding sixty (60) month period of the Lease Term, the minimum annual rent will be adjusted pursuant to and in the same manner as set forth in paragraph (a)(i) of this Article 6.8 using the average total rents paid during the immediately preceding sixty (60) month period.

#### 6.9. Adjustment of Percentage Rent.

(a) At the expiration of the initial sixty (60) months of the Lease Term, and each succeeding sixty (60) month period of the Lease Term thereafter, Lessor and Lessee agree to negotiate adjustments to the percentage rent rates provided for in Article 6.2 and set forth in Exhibit "C", except for the percentage rent rate for boat slips, which is explicitly provided for otherwise in Exhibit "C". Such negotiation shall be conducted in accordance with the following procedure:

(i) Within thirty (30) calendar days after the expiration of the initial sixty (60) month period of the Lease Term and each succeeding sixty (60) month period of the Lease Term, Lessor and Lessee shall each submit to the other Party in writing, pursuant to the notice provisions of Article 33, below, its proposed adjustment, if any, to the percentage rent rates provided for in Article 6.2 and set forth in Exhibit "C." Within seven (7) calendar days after receipt of said written proposal, the Party receiving the proposed adjustment shall accept or reject such proposal. The failure of Lessee to respond in writing to Lessor within such time shall be deemed an approval of Lessor's written proposal, whereas a failure of Lessor to respond in writing to Lessee within such period shall be deemed a rejection of Lessee's written proposal. Except as to a deemed approval or rejection pursuant to the preceding sentence, any response must be in writing and shall be communicated to the other Party pursuant to the notice provisions set forth in Article 33, below. In the event either of said proposals is rejected, the Party submitting the same shall have seven (7) calendar days from the date of written notice of said rejection, or deemed

## EXHIBIT C

rejection, to submit a revised or modified proposal. The Party receiving said revised or modified proposal shall then have seven (7) calendar days within which to accept or reject the same. Lessor and Lessee shall enter into such negotiations in good faith and shall not unreasonably withhold their consent to or approval of any reasonable proposal of the other Party.

(ii) In the event that the Parties are unable to reach an agreement on any adjustments to the percentage rent rates, the adjustment to any such percentage rent rate in dispute shall be determined by arbitration as hereinafter set forth.

(b) Arbitration of Percentage Rent.

(i) Within thirty (30) calendar days after the last rejection of a proposal in Article 6.9(a)(i), Lessor and Lessee shall jointly appoint a single neutral arbitrator to determine the percentage rent rate(s) to be charged by Lessor and paid by Lessee for the uses, activities and operations conducted by Lessee and its Subtenants on, from, or connected with the Premises. The fees of such arbitrator shall be divided equally between the Parties. If within said thirty (30) day period the Parties are unable to agree on one arbitrator, within the next seven (7) calendar days, each Party shall appoint one arbitrator and the two arbitrators together shall then determine the percentage rent rate(s) to be paid by Lessee. Each Party shall pay the fees of the arbitrator appointed by that Party.

(ii) If, within sixty (60) calendar days of their appointment, the two (2) arbitrators so appointed are unable to agree on the applicable percentage rent rate(s), then they shall, in writing, immediately appoint a third arbitrator and the third arbitrator so appointed shall determine the percentage rent rate(s) in the manner provided in subparagraph (iii) of this paragraph (b) of Article 6.10, below, within sixty (60) calendar days of the appointment of the third arbitrator. The fees of the third arbitrator shall be divided equally between the Parties.

(iii) In the event that the percentage rent rate(s) are to be determined by the third arbitrator so appointed, the arbitrators appointed by the separate Parties shall jointly prepare a statement of the percentage rent rate(s) to be determined and the final offer by each Party with respect to each percentage rent rate in dispute. The third arbitrator, after conducting such hearing as he or she may determine to be necessary or appropriate, shall fix and determine the percentage rent rate(s) in dispute, but, in so doing, may only select the final offer of either Lessee or Lessor as to the applicable percentage rent rate in dispute, and no other alternative or compromise percentage rent rate may be selected, unless the Parties otherwise agree in writing that such a determination shall be within the power and authority of the arbitrator to make. The arbitrator shall deliver to each of the Parties a statement of that decision.

(iv) Upon making a determination on the percentage rent rate(s) in dispute, the arbitrator(s) shall reduce the decision to writing and deliver a copy of such decision to each of the Parties. The arbitrator(s) appointed pursuant to the foregoing

## EXHIBIT C

provisions shall be attorneys, certified public accountants, or members in good standing of the American Institute of Real Estate Appraisers holding an M.A.I. designation and primarily engaged in the business or occupation of appraising or evaluating businesses, real property and improvements. Should any arbitrator(s) be made a party to any legal proceedings arising out of this Article 6.9, Lessor and Lessee shall jointly hold said arbitrator(s) harmless and indemnify said arbitrator(s) against any and all costs and expenses incurred in said proceedings.

**(v) NOTICE: BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE “ARBITRATION OF PERCENTAGE RENT” PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE “ARBITRATION OF PERCENTAGE RENT” PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.**

**WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE “ARBITRATION OF PERCENTAGE RENT” PROVISION TO NEUTRAL ARBITRATION.**

\_\_\_\_\_  
Lessor's Initials

\_\_\_\_\_  
Lessee's Initials

(vi) The determination of the percentage rent rate(s) pursuant to this Article 6.9 shall be final and conclusive and shall apply as of the first day of the period for which the adjustment in said rent has been made and shall continue in force until the expiration of the applicable sixty (60) month period of the Lease Term. Lessee agrees to pay percentage rent at the prior rates until the new percentage rent rate(s) are determined, at which time the Parties will make a retroactive cash adjustment in the amount paid to reflect the new percentage rent rate(s).

#### 6.10. Lessee's Covenant of Best Efforts.

Lessee shall use its best efforts to maximize the Gross Revenue derived from all activities and uses conducted or permitted to be conducted on the Premises.

## EXHIBIT C

**6.11. Negation of Partnership.**

Nothing in this Lease, including the provisions of Article 19 relating to Appreciation Rent, shall be construed to render Lessor in any way or for any purpose a partner, joint venturer, fiduciary or associate in any relationship with Lessee, other than that of landlord and tenant, nor shall this Lease be construed to authorize either Party to act as agent for the other, except as may be otherwise expressly provided in this Lease.

**7. Uses.****7.1. Permitted Uses.**

Subject to the provisions of Article 15.3, below, and except as otherwise provided in Article 7.2, below, Lessee shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes, other than the purpose or purposes, and on the conditions, if any, set forth in Exhibit "D" attached hereto, initialed by the Parties and by this reference incorporated herein. The permitted uses for the Premises as set forth in Exhibit "D," or as may hereafter be allowed pursuant to Article 7.2, below, are non-exclusive as to Ventura Harbor and Lessor reserves the right in its sole discretion to permit Lessee to conduct any particular activity on the Premises or any portion thereof, and to permit other lessees in the harbor to conduct or permit the same or similar uses on property leased from Lessor in Ventura Harbor. Any provision contained in this Lease to the contrary notwithstanding, the Premises shall not be used for any purpose which shall interfere with commerce, navigation or fisheries within or without the Ventura Harbor. Should Lessee use, or permit the Premises, or any part thereof to be used for any purpose or purposes in violation of this Article 7.1, then Lessee shall be in default under this Lease and Lessor shall have all rights and remedies afforded to it under this Lease and applicable law, including the right to terminate this Lease.

**7.2. Other Uses.**

Lessee may, with Lessor's prior written consent, use the Premises for any other lawful purposes in addition to or in place of those enumerated above as specified in Exhibit "D"; provided, however, that prior to the commencement of such use by Lessee, the Parties shall have agreed in writing to permit such use or activity to be conducted on the Premises and, if applicable, set a percentage rent rate for such use or activity, which agreement shall be in the form of an amendment to this Lease duly executed by the Parties. Lessor reserves the right to consent or withhold its consent to any request for such additional use as Lessor shall determine in its sole discretion and shall take into account, among other things, whether any particular use is already being offered or in use at Ventura Harbor by other lessees.

**8. Improvements to the Premises.****8.1. Required Improvements and Landscaping.**

(a) As a material part of the consideration for this Lease, Lessee shall construct certain required improvements and landscaping on the Premises as specified in Article 7.1 of the Option to Lease. The required improvements and landscaping to be constructed

## EXHIBIT C

(the “Required Improvements”) are specified in the plans set forth as Exhibit “E” attached hereto and by this reference made a part hereof, which are the same plans approved by Lessor under the Option to Lease.

(b) Lessor and Lessee acknowledge and agree that the prompt, full and complete construction of the Required Improvements is a critical factor in the anticipated financial success of the business operations to be conducted by Lessee and any of its Subtenants on or from the Premises. Lessee further acknowledges and agrees that Lessor would not have entered into this Lease without first obtaining Lessee’s unqualified commitment to perform the obligations required of Lessee under this Article 8.

(c) To ensure the prompt, full and complete construction of the Required Improvements, Lessee shall achieve the following milestones at the times indicated below:

(i) Within the initial thirty-six (36) months of the Lease Term, Lessee shall obtain all necessary permitting and entitlements for the Required Improvements; and demonstrate adequate financing to complete the Required Improvements; and

(ii) Lessee shall substantially complete to the satisfaction of Lessor the Required Improvements within sixty (60) months after the date Lessee first obtained a building permit for the Required Improvements (“Construction Start Date”), and in no event later than ninety-six (96) months after the date indicated in Article 1. For purposes of this Article 8, substantially complete shall mean that the Required Improvements are sufficiently complete in accordance with the specified plans set forth in Exhibit “E” so that such improvements can be occupied or utilized for its intended use. Notwithstanding the foregoing, in no event shall the Required Improvements be deemed to be “substantially complete” until Lessee shall have invested at least Three Million Five Hundred Thousand Dollars (\$3,500,000) in the construction the Required Improvements;

(d) Failure to timely meet the milestone obligations in Article 8.1(c) shall be deemed to be an incurable default by Lessee and, in that event, Lessor shall have available to it all rights and remedies allowed by law and by this Lease, including the right to terminate this Lease. Notwithstanding the foregoing, Lessee shall not be deemed to have defaulted under or breached this Lease by failing to timely meet the milestone obligations in Article 8.1(c) if, but only to the extent, such failure or delay is caused by or results from one or more of the following force majeure events (each, a “Force Majeure Event”): (i) acts of God; (ii) flood, fire, earthquake, or other natural disasters; (iii) war, invasion, terrorists threats or acts, riots or other civil unrest; (iv) government order, law, or action; or (v) national or regional emergency. In the event of any such excused delay in performance, the time for performing of such obligations shall be extended for a period of time equal to the time lost by reason of the delay. As soon as reasonably practicable after the occurrence of any Force Majeure Event, Lessee shall provide written notice to Lessor of the nature and extent of any such Force Majeure Event, and shall use commercially reasonable efforts to overcome the Force Majeure Event and resume performance of its obligations.

## EXHIBIT C

(e) In order to demonstrate adequate financing to complete the Required Improvements as required by Article 8.1(c), Lessee shall provide to Lessor, in accordance with Article 8.1(f) below, evidence reasonably satisfactory to Lessor that adequate financing is not only available for the construction of the Required Improvements and landscaping, but that such financing will be available at such a time as to ensure that construction of said improvements will be commenced within the time provided in the construction schedule for the improvements submitted to and approved by Lessor. In the event evidence of financing or loan documents submitted by Lessee under Article 8.1(f) below is not reasonably acceptable to Lessor, Lessee shall, within fourteen (14) calendar days after receipt of notice from Lessor that said evidence or documents are unacceptable to Lessor, either cure said deficiency or within twenty (20) calendar days after receipt of said notice provide to Lessor security for compliance with the commencement, development and completion of the construction of the Required Improvements and landscaping, as said security is required under Article 9.2 below.

(f) The evidence of financing required to be submitted to Lessor pursuant to Article 8.1(e) above, shall include, but not be limited to, the following:

(i) A pro forma statement showing the capital structure of Lessee, including the amount of capital, if any, to be invested by Lessee, and the principals of Lessee, in the development and the income/expense projections for the first five (5) years of operation under the Lease;

(ii) A firm commitment for a construction loan or loans in a form or forms acceptable to Lessor and in such amount or amounts which, when added to Lessee's invested capital, if any, is reasonably determined by Lessor to be sufficient to cover the estimated cost of construction of the Required Improvements;

(iii) A firm commitment for permanent financing in a form acceptable to Lessor, the debt service and expense projections on which can be carried by the income projections of the Required Improvements as reasonably determined by Lessor;

(iv) A certified statement identifying all sources of working capital projected in the pro forma statement submitted under subparagraph (i), above;

(v) A financial statement of Lessee or each separate entity or person making up the business venture of Lessee (excluding limited partners, limited liability company members, or shareholders if Lessee is a limited partnership, limited liability company, or a corporation, as applicable), prepared by a certified public accountant within ninety (90) calendar days prior to its submittal. Lessor reserves the right to require additional financial information to be provided by Lessee upon request, and Lessee, and each entity or person whose financial statement or other information has been submitted to Lessor hereunder, shall provide Lessor with a written statement that there has been no material change in the financial condition of Lessee and each such entity or person since the preparation of the initial statement and information submitted;



## EXHIBIT C

(vi) A statement of all pending litigation involving Lessee or each separate entity or person making up the business venture of Lessee (excluding limited partners or shareholders if Lessee is a limited partnership or a corporation);

(vii) A statement of other projects planned or in progress by Lessee, including projected investments for each project; and

(viii) Three (3) financial references.

(g) If Lessee plans to hypothecate the leasehold estate as security for any loan or loans to obtain funds to construct the Required Improvements, Lessee shall submit concurrently with the evidence of financing all documents proposed to be entered into in connection with said loan transaction for Lessor's review and approval. Lessor agrees to process and review the first submittal of evidence of financing and loan documents relating to the construction of the Required Improvements without charge to Lessee. However, as to all other or subsequent submittals of evidence of financing or loan documents made at any time during the Lease Term, Lessee shall pay Lessor concurrently with each submittal and request for approval thereof, a non-refundable processing fee in the amount of Five Hundred Dollars (\$500.00), plus Lessor's out-of-pocket costs and overhead expense that may be incurred in connection with the processing of said request for approval, including but not limited to the cost of retaining legal, financial and accounting consultants to assist Lessor in said process.

## 8.2. Planning, Design and Construction of Additional Improvements.

(a) In the event Lessee wishes to construct other improvements on the Premises during the Lease Term in addition to those specified in Exhibit "E" and those currently existing on the Premises, if any, Lessee shall first submit a written request for conceptual approval of said improvements by Lessor, the proposed use and location thereof in relation to the particular portion of the Premises upon which Lessee proposes to construct said improvements, and pay Lessor a non-refundable processing fee of Five Hundred Dollars (\$500), plus Lessor's out-of-pocket costs and overhead expense that may be incurred in connection with the processing of said request for approval, including but not limited to the cost of retaining planning, engineering and design consultants to assist Lessor in said process. If required, Lessee shall apply to the City and/or the California Coastal Commission for appropriate approval of the proposed improvements within one hundred twenty (120) calendar days after conceptual approval by the Lessor, which shall be given with all due practicable speed by written notice from Lessor to Lessee pursuant to Article 33, below.

(b) Any approval by Lessor of plans, specifications or other designs under this Article 8 shall in no event be considered as approval by Lessor of an application for any building or other permit. Further, in its review of and decision on any plan, specification or other design submitted pursuant to the terms of this Lease, Lessor shall be guided by the provisions of this Lease and the policies of Lessor then in effect as to the Ventura Harbor. In the event of an inconsistency or conflict between the terms and provisions of this Lease and the Building Code of the City, the requirements of the California Coastal Commission, or any other applicable laws

## EXHIBIT C

or regulations, the strictest and most stringent provisions relating to the conflicting terms shall control.

(c) In addition to all submittals to be made and approvals to be obtained by Lessee as required in this Article 8, Lessee must secure, at Lessee's sole cost and expense, all necessary permits and approvals from any and all other governmental entities and agencies with jurisdiction over the planning, design and construction of said additional improvements.

(d) In all instances in this Article 8 where Lessor has authority to approve, reject, disapprove, request modification, revision or correction of plans, specifications, designs and assessments submitted by Lessee (hereinafter the "Plans" for the purposes of this subsection), Lessor agrees to act reasonably and cooperatively and shall communicate its action with respect to such review pursuant to Article 33, below. In the event such Plans are rejected or requested to be modified by Lessor, the reasons for such rejection or required modification shall be communicated in writing to Lessee. In the event Lessor requests revision, modification, or correction of the Plans, Lessee shall have thirty (30) working days from the date of action by Lessor to submit revised, modified, or corrected Plans, as the case may be. In the event such revised, modified, or corrected Plans are neither approved nor rejected by Lessor within thirty (30) working days after submission to Lessor, they shall be deemed to have been approved by Lessor. Should Lessee fail or refuse to submit a revised, modified or corrected Plans within the specified period, such failure or refusal will be deemed a withdrawal of Lessee's request for approval and all processing thereof by Lessor shall thereafter cease and terminate.

(e) In the event Lessee withdraws, or is deemed to have withdrawn its request for approval under this Article 8.2, or if this Lease is terminated pursuant to its terms while a request for approval hereunder is pending, Lessor shall have the right to retain copies of all tests, studies, inspections, plans, blueprints, reports, investigations, renderings and other documents and things made, prepared, developed or generated by or for Lessee in connection with the withdrawn or pending request for approval, at no cost or expense to Lessor.

### **8.3. Alterations or Modifications.**

Lessee may make at its own cost and expense any alterations, modifications, or other changes in the Premises necessary or desirable for Lessee's use of the Premises; provided, however, that such alterations, modifications or other changes shall not be made except in accordance with plans, specifications or other designs previously submitted to and approved in writing by Lessor in the manner provided in this Lease, and only after appropriate permits and approvals from any and all other governmental entities or agencies with jurisdiction over the conduct of such work shall have been obtained.

### **8.4. Utilities.**

(a) Lessee agrees that any authorized utility or communications company has the right, subject to Lessor's written approval, to place utility lines, cables, pipes, wires, conduits, or ductwork where necessary or desirable, through or on the Premises in any manner which will not unnecessarily interfere with Lessee's use of the Premises. Lessee hereby agrees



## EXHIBIT C

to waive and hold Lessor free and harmless from any and all claims of Lessee and its Subtenants for loss or damage as a result of any negligent act or omission of a utility or communications company in the exercise of any rights granted to it by Lessor.

(b) Lessee shall have the responsibility to continue or to connect the utilities or communications facilities provided on or to the Premises to its facilities, and to furnish, install and maintain, at its own expense, all necessary ducts, pipes, wires, cables, lines and conduits to service adequately its own installations and to relocate at its cost and expense all existing utilities required to be relocated by reason of Lessee's development and operation of the Premises. All utilities shall be carried underground.

#### **8.5. As-Built Plans and Substantial Compliance.**

Within one hundred twenty (120) calendar days following completion of the construction of any improvements to or on the Premises required or permitted under this Lease, Lessee shall furnish to Lessor a complete set of "as-built" plans depicting the improvements as constructed, which construction shall be in substantial compliance with approved working drawings, permits and governmental approvals.

#### **8.6. Signs.**

Neither Lessee nor any of its Subtenants acting under any authority of Lessee, shall construct, maintain, or allow any sign upon the Premises without the prior written approval of Lessor and such other governmental agencies as may have jurisdiction over said work.

### **9. Security.**

#### **9.1. Security Deposit.**

(a) Contemporaneously with the execution of this Lease, Lessee has deposited with Lessor the sum of Ten Thousand Dollars (\$10,000). This sum shall be held by Lessor as a deposit to secure Lessee's obligations under this Lease pursuant to Section 1950.7 of the California Civil Code. If at any time during the Lease Term any of the rent herein reserved shall be overdue and unpaid, or any other sum payable by Lessee to Lessor hereunder shall be overdue and unpaid, then Lessor may, at the option of Lessor, appropriate and apply any portion of said deposit to the payment of any such overdue rent or other sum. In the event of the failure of Lessee to keep and perform all of the terms, covenants and conditions of this Lease to be kept and performed by Lessee, Lessor may, at its option, appropriate and apply said deposit, or so much thereof as may be necessary, to compensate Lessor for all loss or damage sustained or suffered by Lessor due to such breach on the part of Lessee, including fees incurred on account of services rendered or work performed at the request of Lessor by independent accountants, attorneys and other consultants.

(b) Should the entire deposit, or any portion thereof, be appropriated and applied by Lessor for the payment of overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to

## EXHIBIT C

Lessor a sufficient amount in cash to restore said deposit to the original sum set forth in paragraph (a) of this Article 9.1, above. Such payment shall be made to Lessor within ten (10) calendar days after Lessee receives Lessor's written demand therefor pursuant to Article 33, below.

(c) Should Lessee comply with all of said terms, covenants, and conditions and promptly pay all rent, fees, charges and assessments as they come due, and all other sums payable by Lessee to Lessor hereunder, the deposit, subject to Article 12.3 below, shall be returned to Lessee at the end of the Lease term.

(d) Lessor is not a trustee of said deposit and may commingle it, use it in the ordinary course of business, transfer, or assign it. No interest shall accrue on the deposit.

**9.2. Security for Compliance with Commencement, Development, and Completion of Construction of Required and Additional Improvements or Alterations on the Premises.**

(a) Unless expressly waived by written instrument signed by Lessor, Lessee shall provide to Lessor prior to commencement of construction of any improvements on the Premises at least one of the following forms of security: (i) an unconditional written personal or corporate guaranty that said construction will be completed as required (provided the guarantor is in a Control relationship with Lessee and has a liquid net worth, in excess of five (5) times the total amount of the construction contract, documented to the reasonable satisfaction of Lessor); (ii) a bond of a responsible surety company approved in advance by Lessor and licensed to do business in California, in an amount not less than one hundred twenty-five percent (125%) of the estimated cost of constructing said improvements; (iii) an unconditional irrevocable letter of credit in a form approved by Lessor, in an amount not less than one hundred twenty-five percent (125%) of the estimated cost of constructing said improvements; (iv) a binding and acceptable loan agreement from the lender in a form approved by Lessor, in an amount not less than one hundred twenty-five percent (125%) of the estimated cost of constructing said improvements; or (v) such other security as may be approved in writing by Lessor in its sole discretion. If Lessee provides a bond or letter of credit under options (ii) or (iii) above, it shall remain in effect until the entire cost of the work has been paid in full and the improvements shall have been insured as provided in this Lease. Said bond shall state that it is for the purpose of securing the completion of the proposed construction, free of all claims and liens of contractors, subcontractors, designers, mechanics, laborers and materialmen. Said bond shall state that the construction work shall be affected by Lessee, its general contractor, or in the event of their default, by the surety. Said bond shall provide that in default of such completion and payments, such part of the amount of the bond as shall be required to complete the work shall be paid to Lessor as liquidated damages, and not as a penalty, which sum Lessor and Lessee agree represents a reasonable attempt by the Parties to estimate a fair compensation for the foreseeable losses that might result from such a breach and nonperformance by Lessee under this Lease. In addition, said bond shall provide that the surety will defend and indemnify Lessor against all loss, cost, damages, expenses, and liability arising out of or connected with the construction of said improvements, including the cost of any professional, investigative, accounting, legal or other services which may reasonably be required by Lessor.

## EXHIBIT C

(b) Lessee shall, at all times, indemnify and hold Lessor harmless from all claims for design, labor or materials in connection with construction, repair, alteration or installation of structures, improvements, equipment or facilities within or on the Premises, and from the cost of defending against such claims, including attorneys' fees. Lessee further shall carry, or cause to be carried by its contractor or contractors, sufficient and appropriate coverage in Workers' Compensation and Longshoremen and Harbor Workers' Compensation Insurance (if required) to protect all workers employed by its contractor or contractors involved with the construction, renovation or modernization of any improvements on the Premises at any time during the Lease Term.

(c) In the event a lien is imposed on the Premises as a result of any construction, repair, alteration, or installation work on the Premises, Lessee shall procure and record a bond which frees the Premises from the claim of the lien and from any action brought to foreclose the lien. Should Lessee fail to procure and record said bond within thirty (30) calendar days after Lessee receives written notice of the filing of such a lien, Lessee shall be in default of this Lease and Lessor shall have available to it all rights and remedies afforded to it under this Lease and applicable law, including the right to terminate this Lease.

(d) The providing of the security and insurance under this Article 9.2 shall not be construed to limit Lessee's liability hereunder, nor to fulfill the indemnification provision and requirements of this Lease. Notwithstanding the provision of any bond or guaranty, Lessee shall be obligated for the full and total amount of any damage, injury, or loss, including all costs, expenses and attorneys' fees, caused by negligence or neglect arising out of any act or omission of Lessee, its agents, employees and Subtenants connected with this Lease or with the use or occupancy of the Premises.

### **9.3. Quitclaim Deed.**

As further security for the performance of the obligations of Lessee specified in this Lease and to ensure the clearing of title to the Premises upon a termination of this Lease, Lessee shall, prior to or contemporaneously with the execution of this Lease, and upon the addition of any property to the Premises covered by this Lease, deliver to Lessor a quitclaim deed in the same form as set forth in Exhibit "F" attached hereto and by this reference made a part hereof, which deed shall be held and recorded by Lessor only in the event of a default of Lessee and subsequent termination of this Lease by Lessor. Upon recordation, said deed shall constitute conclusive evidence of the termination of this Lease and all rights of Lessee, or those claiming under Lessee, in and to the Premises.

### **9.4. Negation of Warranties, Lessee Waivers, Litigation Limitations and Stipulation.**

(a) The Parties recognize and agree that this Lease, the limited development process and construction of improvements on the Premises contemplated by this Lease and the business operations Lessee proposes to conduct on the Premises pursuant to this Lease, contain elements of risk, especially with respect to permits, approvals and financing that may be necessary in order for the Parties' objectives for entering into this Lease to be achieved. Lessee

## EXHIBIT C

acknowledges and agrees: (i) that this risk shall be borne by Lessee alone; (ii) that Lessor does not and cannot guarantee permits or approvals will be secured from all required agencies; and (iii) that Lessor does not warrant or guarantee financeable title, financing or feasibility, except for any specific express agreements or commitments made by Lessor in this Lease and the fact that Lessor covenants and agrees that it will not voluntarily encumber or place any cloud on Lessee's title to the Premises.

(b) Lessee further covenants, acknowledges and agrees as follows:

(i) That Lessor is a port district formed under and pursuant to the terms and provisions of the Harbors and Navigation Code of the State of California. The powers and authority of Lessor to act are governed by said Code, other applicable laws and regulations of the State of California, including county and municipal laws and regulations. Lessee accepts this Lease, subject to the terms and provisions of said Code and such other applicable laws and regulations now existing or hereafter enacted, and, as they may be amended from time to time.

(ii) That the Premises are within the coastal zone and subject to the California Coastal Act, and that any proposed further development of the Premises is subject to compliance with CEQA and the California Coastal Act.

(iii) That, in the event of a breach of this Lease by Lessor, the remedy of Lessee shall be limited to an action at law for damages actually and demonstrably incurred by Lessee by reason of said breach. In the event of such breach by Lessor, Lessee waives all right to claim any interest in the Premises in any judicial proceeding, including, but not limited to a claim for specific performance, quiet title, declaratory relief, equitable lien or constructive or resulting trust.

## 10. Lessee's Obligation to Maintain and Repair.

### 10.1. Normal Repairs.

Lessee shall, at its sole cost and expense, keep and maintain the Premises and all improvements of whatever kind that may be now or hereafter erected, installed or otherwise made thereon, including any revetted slopes, bulkheads, piers, wharves, pilings or docks within or underlying improvements associated with the use and occupancy of the Premises, in First-Class condition and in accordance with and conformity to all applicable laws, rules, ordinances, orders and regulations relating to any part of the Premises or the improvements thereon, and shall make all necessary repairs and alterations thereto. Lessee shall so keep, maintain and repair the Premises and improvements such that they will remain in First-Class condition comparable to other similarly situated business operations of the same type or character conducted in Southern California which are open to the public. Lessee further shall provide proper containers for trash and garbage and keep the Premises at all times free and clear of rubbish, debris and litter. Lessee shall not assign the obligations set forth in this Article 10.1 to any Subtenant without the prior written consent of Lessor.

## EXHIBIT C

**10.2. Interim Modernization of Leasehold Improvements.**

(a) A major modernization, renovation and refurbishing program to bring all improvements on the Premises, including all slips, docks, wharves, piers, pilings, revetted slopes, fuel dispensing facilities, bulkheads, parking areas and the exterior, including landscaping, and interior of all buildings and structures, up to First-Class condition and competitive quality and prevailing standards for the uses authorized, shall be scheduled to occur and be completed to Lessor's reasonable satisfaction between the twenty-fifth (25<sup>th</sup>) and the thirtieth (30<sup>th</sup>) years of the Lease Term.

(b) The modernization, renovation and refurbishing plan of the Lessee at that time shall upgrade all improvements on the Premises to comply with then effective and applicable codes, satisfy Lessor that all such improvements will retain attractiveness as a harbor facility, will remain structurally sound and provide First-Class facilities for use or rental, thus assuring a satisfactory income stream to both Lessor and Lessee during the remainder of the Lease Term.

(c) A minimum modernization program will include renovation, repair and, if necessary, replacement of waterside improvements (slips, docks, pilings, etc.), reconditioning of building exteriors by repainting, replacement of exterior material with like materials, re-roofing with equivalent material, and replacement of landscaping materials to original equivalent, as needed. Interior modernization will include painting, replacement of carpeting or other floor covering, replacement or refinishing of cabinets, hardware and bathroom fixtures, and repair or replacement of climate or temperature control, plumbing and electrical systems. If other interior furnishings are supplied by the Lessee, refinishing or replacement of such items will be included.

(d) The interim modernization plan developed by Lessee, and specific means or program Lessee proposes to use to finance the cost of the interim modernization plan (the "Modernization Plan"), shall be submitted to and approved by Lessor before commencement of work. Lessee shall submit the Modernization Plan to Lessor for approval sometime during the six (6) months immediately preceding the start of the twenty-fifth (25<sup>th</sup>) year of the Lease Term. Lessor's approval or disapproval of the Modernization Plan shall be based on the criteria set forth in paragraphs (a), (b) and (c) of this Article 10.2, above, and on standards of commercial reasonableness. In the event Lessor disapproves of the Modernization Plan, Lessor shall specify in writing the reason or reasons for any disapproval, and Lessor and Lessee agree that they will meet and confer for a period of up to ninety (90) days in good faith in an effort to resolve any disputes related to this modernization plan before Lessor can exercise its right to terminate this Lease.

(e) The essence of this modernization provision is to retain First-Class high quality facilities which equal or exceed the quality level of other similarly situated business operations in Southern California and which are compatible with the harbor environment of Ventura Harbor for the full Lease Term, and beyond.

(f) All work required under the Modernization Plan shall be subject to the approval of Lessor and any other agency or governmental authority which has jurisdiction over said

**EXHIBIT C**

work and Lessee shall secure, at its own expense, all permits and other approvals required for said work, including all actions, studies, assessments and reports that may be required in order to comply with all requirements of CEQA and the California Coastal Act.

**10.3. Security for Modernization.**

The provisions of Article 9.2 regarding security for completion of improvements on the Premises shall apply to all modernization work required to be performed by Lessee under this Article 10.

**10.4. Planning, Design and Construction Process for Modernization Work.**

If required, the designs, plans, drawings and other documents for the modernization work required under this Article 10 shall be submitted for approval by Lessor, and/or other governmental entities, and such submission shall be made under and pursuant to the same procedure, terms and conditions set forth in Article 8.2, above. The initial submission of schematic plans shall be made within sixty (60) calendar days after Lessor's approval of the Modernization Plan and financing program proposed by Lessee, together with a non-refundable fee of Five Hundred Dollars (\$500.00), plus Lessor's out-of-pocket costs and overhead expense that may be incurred in connection with the processing, shall be paid by Lessee to Lessor. Thereafter, the submission and review process specified in Article 8.2 shall apply to the planning, design and construction of the modernization work.

**10.5. Removal of Water Area Obstructions.**

In the event Lessee becomes aware of an obstruction in the water area of the Premises, Lessee shall notify Lessor and Harbor Patrol within twenty-four (24) hours of it becoming aware of such obstruction. Furthermore, Lessee shall, at its sole cost and expense, and in addition to all other obligations imposed on Lessee under this Article 10, remove all obstructions from the water area of the Premises that may impede water traffic or otherwise interfere with the use of any land or water area leased hereunder or within the Ventura Harbor. If Lessee fails to commence the removal of such obstructions within fifteen (15) calendar days after receipt of written notice thereof from Lessor pursuant to Article 33, below, or thereafter fails to prosecute diligently said removal to completion, Lessor may remove the obstructions and commit so much of the security deposit referred to in Article 9, above, up to the whole thereof, as is necessary to cover the costs of removing such obstructions.

**11. Maintenance and Repair by Lessor.****11.1. Lessor's Right of Entry for Purposes of Repair.**

(a) Lessor shall not be required to maintain or repair any improvements or facilities on the Premises. Lessor reserves the right, however, to enter upon the Premises, or any portion thereof, from time to time, for the purpose of inspecting, establishing, extending, repairing or rebuilding a seawall, pier, wharf, pilings, bulkhead, or revetted slopes, conducting dredging operations, or otherwise to make any such repairs or improvements at its own expense



## EXHIBIT C

as are necessary in the sole opinion of Lessor for the continued maintenance of property within the Ventura Harbor. Further, Lessor reserves the right to enter upon the Premises for the purpose of inspecting and/or acting to cure an actual or suspected breach of this Lease by Lessee which reasonably requires entry upon the Premises. In the exercise of said rights, unless it is an emergency condition requiring immediate entry, Lessor shall provide Lessee with a minimum of forty-eight (48) hours advance written notice and utilize its best efforts not to unreasonably disrupt Lessee or its Subtenants in their use or occupation of the Premises. Lessor shall not be liable to the occupant of any portion of the Premises for any loss, damage or harm arising out of Lessor's exercise of the rights reserved herein and neither Lessee nor any Subtenant, nor any other person claiming under or through Lessee, shall be entitled to any consequential damages allegedly arising therefrom.

(b) If Lessee fails to make repairs or replacements as required in this Lease, Lessor may notify Lessee of said failure in writing and provide a reasonable amount of time as determined in Lessor's sole discretion, for Lessee to make the requisite repairs or replacements. Should Lessee fail to make said repairs or replacements within said time provided by Lessor in said notice, Lessor may make such repairs and replacements and the cost thereof, including but not limited to the cost of design, labor, material, equipment, the value of services provided by employees of Lessor and the cost of professional services such as attorneys, accountants or its contractors and other consultants as may be reasonably incurred by Lessor, shall be paid by Lessee to Lessor within ten (10) calendar days after Lessee's actual or deemed receipt of a statement from Lessor identifying said costs. Further, should Lessor make such repairs or replacements, Lessee shall indemnify and hold Lessor harmless from and against all claims, demands, loss or liability of any kind whatsoever arising out of or connected in any way with such work, including, but not limited to, claims by Lessee, its officers, employees, agents, Subtenants and the patrons or visitors of Lessee or its Subtenants.

#### **11.2. Limitations on Lessor's Obligation to Repair.**

Lessor shall have no duty, obligation or liability whatever to care for or maintain the Premises. In the event that, by any express provision of this Lease, Lessor agrees to care for or maintain any part of the Premises, such agreement on the part of Lessor shall constitute a covenant only, and no obligation or liability whatsoever shall exist on the part of Lessor to Lessee or its Subtenants or patrons by reason thereof unless Lessor fails to commence performance of such obligation with reasonable diligence after receipt of a written notice from Lessee pursuant to Article 33, below, specifying (a) the provisions of this Lease whereunder said duty is claimed to exist on the part of Lessor, and (b) the facts existing that require the performance of such duty. In such event, Lessor's liability shall be limited to the costs and expenses of performing such obligation and neither Lessee nor its Subtenants, nor any person claiming under or through Lessee, shall be entitled to consequential damages allegedly arising therefrom.

#### **11.3 Fairway Water Depth.**

The Parties acknowledge that a portion of the water area within the Premises may be subject to a shoaling condition that can affect water depth. This condition arises through a natural process. The condition can also impact adjacent water areas not included in any ground

## EXHIBIT C

lease (“fairways”). Lessor agrees to take such action at its sole expense and discretion as may be reasonably necessary and commercially reasonable and prudent to maintain the fairways in the vicinity of the Premises at a reasonable depth, taking into account the cost of such action and Lessor’s fiscal limitations, governmental requirements, including but not limited to permits, foreseeable weather conditions, the foreseeable impact on all operations in Ventura Harbor, including the business operations of Lessee and its Subtenants, and the responsibilities and obligations of Lessor with respect to all of the foregoing. Likewise, Lessee shall be solely responsible at its expense to maintain appropriate water depth throughout any water area within the Premises. Lessor shall in no event be obligated to maintain the water depth in the fairways at a deeper level than other lessees in Ventura Harbor. The Parties agree to cooperate in good faith to coordinate their efforts in maintaining adequate water depth in their respective areas of responsibility as described above so as to minimize the water depth maintenance costs each will incur and, also to minimize the disruption of operations within Ventura Harbor. Nevertheless, Lessor’s obligation and potential liability for maintaining appropriate water depth in the fairways shall be limited to the cost and expense of performing the obligation described in this Article 11.3, and neither Lessee, nor any person or party claiming through Lessee, shall be entitled to consequential damages allegedly arising therefrom.

## 12. **Surrender of Premises.**

### 12.1. **Lessee’s Obligation to Surrender upon Expiration of Lease Term or upon Termination.**

Lessee hereby covenants that (a) upon the expiration of the Lease Term, or (b) upon the termination of this Lease at the election of Lessor after default by Lessee, or (c) upon any other termination of this Lease, Lessee shall forthwith quit and surrender the Premises to Lessor along with any and all buildings, structures, installations and other improvements thereon, except trade fixtures owned or installed by Lessee or its Subtenants, in good and clean condition so as to leave the Premises and said buildings, structures, installations and other improvements in substantially the same condition as when first occupied by Lessee after construction, subsequent alteration or modification, or after interim modernization of the improvements on the Premises, whichever event is the last to occur, reasonable wear and tear excepted. Lessee further agrees that in the event of such termination or expiration of the Lease Term, the title to all of said buildings, structures, installations and other improvements of any kind, either previously existing or placed on the Premises by Lessee or its Subtenants, except trade fixtures owned or installed by Lessee or its Subtenants, shall thereupon vest in Lessor and shall become the absolute property of Lessor without cost or expense to Lessor. Lessee agrees to execute any and all documents necessary to transfer title to said buildings, structures, installations and other improvements to Lessor and hereby appoints Lessor as its attorney-in-fact to execute said documents on its behalf.

### 12.2. **Ownership of Trade Fixtures upon Expiration or Termination.**

All trade fixtures owned or installed in or about the Premises by Lessee or its Subtenants may, at the option of Lessee or its Subtenants, be removed within thirty (30) calendar days following the expiration or termination of this Lease, whichever occurs first; provided, however, that Lessee shall pay Lessor a sum of money equal to two (2) times the monthly



## EXHIBIT C

installment of the minimum annual rent rate in effect at the expiration or termination of this Lease for said thirty (30) day period, and Lessee shall repair any damage to the Premises resulting from said removal. The free and unencumbered title to all trade fixtures located in or about the Premises not so removed within said thirty (30) day period shall automatically vest in Lessor and become the absolute property of Lessor without cost or expense to Lessor. In such event, Lessee agrees to execute and deliver, or cause to be executed and delivered, any and all documents necessary to transfer title to said trade fixtures to Lessor free and clear of all encumbrances and hereby appoints Lessor as its attorney-in-fact to execute said documents on its behalf.

### **12.3. Security for Surrender of Premises.**

The deposit specified in Article 9 shall be retained by Lessor for a reasonable time after expiration or other termination of this Lease as security for the surrender of the Premises by Lessee in substantially the same condition as when first occupied by Lessee, taking into account subsequent construction, alteration, modification and modernization as required or allowed by this Lease. In the event Lessee does not return the Premises in substantially the same condition, Lessor may apply so much of the deposits as may be necessary to restore the Premises to the condition specified in this Article. Should such restoration costs exceed the amount of the deposit, Lessee shall, within thirty (30) calendar days after receiving a written statement from Lessor specifically identifying the remaining costs required for restoration, pay Lessor such amount to restore the Premises to said condition with thirty (30) days thereof. The rights and obligations set forth in this Article 12.3 shall survive the termination of this Lease.

## **13. Title and Warranties.**

### **13.1. Disclaimer of Warranties.**

Lessee acknowledges that the Premises are subject to covenants, conditions, easements and restrictions of record. Lessor warrants that it has the authority to lease the Premises to Lessee in accordance with the terms of this Lease. Lessor and Lessee agree and acknowledge that no warranties, covenants, promises or representations as to the title, possession or use of the Premises are made by Lessor in this Lease, or in any other form or manner, except as provided in this Article 13.

### **13.2. Lessee's Quiet Possession.**

Except as hereinabove specifically provided, in the event Lessee performs and observes all of the covenants and conditions on its part to be performed hereunder, including payment of all sums payable to Lessor or others by Lessee, Lessor shall secure to Lessee during the Lease Term the quiet and peaceful possession of the Premises against all persons, which shall mean solely the legal right to the use and possession of the Premises. Lessor shall, upon acquiring actual knowledge of the actions or claims of any such person(s), which actions or claims actually (as opposed to constructively) disturb or interfere with the quiet, peaceful and lawful possession of the Premises by Lessee, at Lessor's own cost and expense and with reasonable diligence, file such proceedings and take such actions as may be reasonably necessary

## EXHIBIT C

to remove the action or claim of such person(s) and the actual interference and disturbance caused thereby. Aside therefrom, neither Lessee nor its Subtenants, nor any other person claiming under or through Lessee, shall have any claim against Lessor for any damages, whether consequential, incidental or compensatory, nor shall Lessee be released or discharged from any of its obligations, liabilities, or indebtedness hereunder.

### 13.3. Lessee Acknowledgments and Waiver.

Subject to Article 11.1, Lessee understands that from time to time during the term of the Lease, and at such times and intervals as may be determined by Lessor in its sole discretion, construction, rehabilitation, replacement, repair and restoration activities may be conducted by or under the authority of Lessor within Ventura Harbor. Lessee acknowledges that said activities and related operations, including the staging, storage, fishing, dredging and docking activities on other parcels in and around Ventura Harbor are necessary and for the benefit of Lessee, its Subtenants, other lessees and the public, and that the conduct of such activities shall be deemed never to have disturbed or interfered with the possession and use of the Premises by Lessee or its Subtenants, nor anyone claiming under Lessee or its Subtenants, nor to have caused Lessee or its Subtenants to be evicted, either actually or constructively, from the Premises, and shall, under no circumstances, entitle Lessee, its Subtenants or others claiming under or through Lessee, to claim or recover incidental or consequential damages from Lessor on account of such activities. Lessee shall defend, protect, indemnify and hold harmless Lessor, its officers, elected officials, agents, consultants, attorneys, employees and volunteers from any such claims arising out of the City of Ventura's WaterPure project made by or on behalf of Lessee; provided, however, that Lessee shall not have any obligation to defend, protect, indemnify or hold harmless Lessor for any such claims brought by Subtenants (but not including any Subtenants, directly or indirectly, controlled by, controlling, or under common control with Lessee) or any third parties. In addition to the foregoing, Lessor warrants and agrees that:

(i) Lessor holds, or prior to the date indicated in Article 1, will hold good title to the Premises, and has or will have the right to grant this Lease to Lessee on the effective date hereof and will cause good and marketable title to the Premises to be transferred to Lessee;

(ii) To the best of Lessor's knowledge, there is no undisclosed physical condition of the Premises, or limitation on the title thereto, which is known to Lessor and unknown to Lessee which would restrict or prevent Lessee from using the Premises as set forth in Article 7, above;

(iii) To the best of Lessor's knowledge, except as permitted under this Lease, there are no Hazardous Materials on the Premises, as that term is defined in Article 15.3, below; and

## EXHIBIT C

(iv) There are no agreements, covenants, conditions, restrictions or other matters known to Lessor and unknown to Lessee that will affect Lessee's use of the Premises pursuant to this Lease.

Lessee acknowledges that it has reviewed and understands the rights Lessee has or may have under California Code of Civil Procedure Section 1179 and California Civil Code Sections 1950.7(c), 1954.05 and 3275 in relation with this Lease, that Lessee has consulted with an attorney of its own choosing concerning those rights and the effect upon Lessee and its successors of an effective waiver of those rights, and Lessee hereby expressly waives any and all such rights granted to Lessee or its successors-in-interest under Civil Code Sections 1950.7(c), 1954.05 and 3275. Lessee understands and agrees that this waiver is a material part of the consideration for Lessor's agreement to enter into and execute this Lease on the terms set forth herein and that Lessor would not have entered into and executed this Lease with Lessee in the absence of such Waiver. Lessee represents and warrants that if Lessee breaches this Lease, and as a result thereof, this Lease is terminated, Lessee will not suffer any undue hardship as a result of such termination and, during the Lease Term, Lessee will make such alternative or other contingency plans to provide for vacation of the Premises.

#### 14. **Encumbrance of Leasehold.**

##### 14.1. **Lessee's Right to Encumber To Finance Construction of Improvements**

(a) In the event it becomes necessary for Lessee to secure interim or permanent financing for the construction of any required or additional improvements on the Premises, Lessee shall, subject to the terms and provisions of this Article 14, have the right to subject Lessee's leasehold estate in the Premises, and any and all improvements on the Premises, to one or more mortgages as security for a loan or loans from an Institutional Lender, upon such terms as may be reasonably satisfactory to Lessor, including:

(i) The mortgage, all related documents and instruments and all rights acquired under the mortgage documents shall be subject and subordinate to each and all of the covenants, conditions and restrictions set forth in this Lease and to all rights and interests of Lessor, except as may be expressly provided in this Lease;

(ii) The mortgage shall not be placed upon or encumber the fee simple title to the Premises;

(iii) The amount of indebtedness secured by the proposed mortgage, plus the amount of indebtedness secured by all other mortgages, if any, encumbering Lessee's interest in the Premises, shall not exceed eighty percent (80%) of the fair market value of Lessee's interest in this Lease and the improvements on the Premises, and Lessee's net operating income derived from all operations conducted on or from the Premises during each calendar year of the Lease Term shall be in excess of one hundred twenty-five percent (125%) of all debt service (including all costs and expenses related to the debt service) payable by Lessee during such calendar year for all mortgages

## EXHIBIT C

encumbering Lessee's interest in this Lease, and the improvements on the Premises. For purposes of this subparagraph (iii) of paragraph (a) of Article 14.1, the fair market value of Lessee's interest in this Lease and the improvements on the Premises, shall be determined by an appraiser selected by Lessor who shall be a member in good standing of the American Institute of Real Estate Appraisers holding an M.A.I. designation and be primarily engaged in the business or occupation of appraising or evaluating business real property and improvements. All costs and fees of obtaining such market value determination shall be at Lessee's sole expense;

(iv) The mortgage shall encumber only Lessee's interest in the improvements on the Premises and Lessee's interest in this Lease and no other real property;

(v) The mortgage shall not be cross-defaulted with agreements relating to other property or transactions;

(vi) The mortgage shall expressly provide that it shall not be modified, extended, renewed or otherwise revised, nor shall the mortgage, or any interest therein, be further mortgaged, pledged, encumbered, hypothecated or any security otherwise granted therein, without the prior written consent of Lessor, which consent shall not be unreasonably withheld;

(vii) The mortgage shall not, by its terms or effect, be used to transfer ownership of this Lease or Lessee's interest herein, or in the improvements on the Premises (except a security interest therein) nor to change Control of Lessee; and

(viii) The mortgage and related documents shall further state that:

A. the terms and provisions of this Lease shall prevail, govern and control in any instance where an inconsistency or conflict exists between the terms and provisions of this Lease and the terms and provisions of any mortgage document;

B. any proceeds from fire or extended coverage insurance shall first be used for the repair, rebuilding, restoration or reconstruction of improvements on the Premises and only the remaining proceeds, if any, may then be used to repay any part of the outstanding indebtedness secured by the mortgage;

C. should the encumbrance holder or any successor-in-interest to it, succeed to the interests of Lessee in the Premises or under this Lease by any means or proceedings whatsoever, then the encumbrance holder shall be obligated to keep and perform all of the covenants and conditions of this Lease required to be kept and performed by Lessee; and

## EXHIBIT C

D. the encumbrance holder, regardless of whether or not a request for notice shall have been recorded by Lessor, shall give Lessor written notice of any default under the mortgage and related documents, which notice shall be given within twenty (20) calendar days after the encumbrance holder learns of the default.

(b) For purposes of this Article 14, the extension or renewal of existing financing, unless explicitly provided for in the original financing documents, shall be considered a new loan or encumbrance, subject to all criteria set forth in this Article 14.1 and Lessor's approval thereof pursuant to Article 14.2, below. Further, in such event, Lessor shall have the right to require that Lessee invest additional capital and equity to bring the loan or encumbrance within the debt service coverage standards set forth in subparagraph (iii) of paragraph (a) of this Article 14.1, above.

(c) Whenever the words "mortgage" or "encumbrance" appear herein, the words "security instrument" may be substituted in their place.

#### **14.2. Lessor's Approval of Encumbrance and Processing Fee.**

Prior to the making of any such lien or encumbrance allowed hereunder, Lessee must submit to Lessor the proposed terms and conditions of said loan, setting forth the total amount thereof, the interest rate, the payment schedules and a description of the security for repayment, and Lessor shall have the right of approval of such encumbrance. A non-refundable fee of Two Thousand Five Hundred Dollars (\$2,500.00), plus Lessor's out-of-pocket costs and overhead expense that may be incurred in connection with the processing, shall be paid by Lessee to Lessor for processing each request for consent to such mortgage or encumbrance submitted to Lessor. Said fee shall be paid concurrently with the initial submission of encumbrance documents and loan information and is deemed earned by Lessor when paid and shall not be refundable. The payment of Lessor's out-of-pocket costs and overhead expenses shall be made within thirty (30) calendar days after Lessee receives an invoice from Lessor for said costs and expenses. Lessor shall not unreasonably withhold or delay approval of the encumbrance, but Lessor may deny approval if Lessee or any of its successors or assigns is then in default of any obligation under this Lease or if, acting in good faith, Lessor determines that the proposed encumbrance is not commercially reasonable. Lessee shall provide and make available to Lessor all documents and information related to its operations, past and/or contemplated business activities and other information which Lessor may request and reasonably require in order to determine the commercial reasonableness of the proposed encumbrance. Lessee waives any right to terminate this Lease in the event it is determined that Lessor unreasonably withheld its consent to approval of the proposed encumbrance. Lessor's consent to any such encumbrance or mortgage shall not be deemed to be, nor construed as, Lessor's consent to any other encumbrance or mortgage, regardless of whether such other encumbrance is secured in whole or in part by the same collateral or property interests as an encumbrance or mortgage to which Lessor has previously consented.

#### **14.3. Lessor's Option to Permit Refinancing.**

## EXHIBIT C

During the Lease Term, but only with Lessor's prior written consent, Lessee may refinance the existing debt structure secured by Lessee's leasehold estate under this Lease, or any portion thereof (including interests of Lessee as sublessor under any sublease of a portion of the Premises), and/or Lessee's interest in improvements on the Premises, or any portion thereof. Such refinancing shall only be on such terms as may be satisfactory to and approved in writing by Lessor. Lessor reserves the right to consent or withhold its consent to any such refinancing as Lessor shall determine, in its sole discretion. Further, as a condition of any such refinancing, Lessee shall comply with each and every term and condition of encumbrancing set forth in Articles 14.1 and 14.2, above, and pay all Appreciation Rent, if any, due under Article 19, below.

#### 14.4. **Rights of the Encumbrance Holder.**

(a) Nothing contained in this Lease shall be deemed to preclude the transfer of this Lease without the consent of Lessor as a result of a judicial foreclosure or a foreclosure through the exercise of a power of sale under any deed of trust or mortgage executed to obtain financing referred to in Articles 14.1 or 14.3, or by a deed in lieu thereof, or any subsequent transfer by the encumbrance holder subject to the requirements hereof, if:

(i) the encumbrance holder is the purchaser at such foreclosure sale; and

(ii) the encumbrance holder is an Institutional Lender, at the time said encumbrance holder succeeds to Lessee's interests under this Lease or, if the transfer by the encumbrance holder is approved in writing by Lessor.

(b) In the event that the encumbrance holder purchases Lessee's interest in the Premises under this Lease at a foreclosure sale or acquires such interest by a deed in lieu thereof, said encumbrance holder shall immediately cure all defaults then existing under this Lease and, further, shall thereafter comply with all of the terms and conditions of this Lease during the period said encumbrance holder, or a receiver appointed at its instance and request, is in possession, or entitled to possession, of the Premises, or retains the leasehold interest so acquired. If the encumbrance holder is an Institutional Lender at the time it acquires Lessee's interest in the Premises under this Lease, and provided that the encumbrance holder certifies to Lessor in writing at the time it proposes to make a transfer of its interest in the Premises, that it is an Institutional Lender as defined herein, and provided further that the Lease is not then in default, the encumbrance holder may transfer the leasehold interest so acquired to a third party, provided that as a condition of such transfer said transferee shall assume and expressly agree in a writing in a form acceptable to Lessor to be bound by all of the terms, covenants, conditions and agreements of this Lease.

(c) In the event the encumbrance holder is not the purchaser at such foreclosure sale or does not acquire such interest by a deed in lieu of foreclosure directly from Lessee, or is not an Institutional Lender, then no such subsequent transfer by the purchaser can be made without obtaining the prior written consent of Lessor pursuant to the terms and provisions of Article 16, below. In the event of any transfer, the transferor shall forthwith give written notice to Lessor of such transfer, including the name and address of the transferee and the effective date of such transfer.



## EXHIBIT C

(d) Notwithstanding any provision of this Lease to the contrary, Lessor agrees that it will not terminate this Lease because of any default or breach thereunder on the part of Lessee, if the encumbrance holder, within thirty (30) calendar days after service of written notice from Lessor of its intention to terminate this Lease for such default or breach (or within 30 calendar days after receipt by the encumbrance holder of written notice from Lessor stating that Lessee has commenced curing said default but is not diligently prosecuting the same to completion) shall cure such default or breach and thereafter keep and perform all of the covenants and conditions of this Lease provided herein to be kept and performed by Lessee.

(e) If the breach or default is not curable, or if there are multiple defaults, some being curable and some not (in which case the encumbrance holder shall cure the curable defaults within 10 calendar days), the encumbrance holder, within said thirty (30) day period, shall commence and thereafter diligently pursue to completion proceedings for the foreclosure and sale under and pursuant to the terms of its encumbrance, which shall be accomplished within one hundred eighty (180) calendar days, hereafter "Foreclosure Period", after service of written notice by Lessor of its intention to terminate this Lease. The actions required under the preceding sentence may include, but are not limited to the initiation and prosecution of proceedings under the Bankruptcy Code, 11 USC §§101 et seq., to lift any stay or other order which may be in effect. During the Foreclosure Period, the encumbrance holder shall perform or cause to be performed all of Lessee's obligations required under the Lease.

(f) Should the encumbrance holder be barred or stayed from timely completion of any foreclosure proceeding by order of any court of competent jurisdiction, including such orders as may be in effect under and pursuant to the Bankruptcy Code, the encumbrance holder shall, prior to expiration of the Foreclosure Period, furnish, or cause to be furnished, to Lessor an irrevocable letter of credit in the amount of Three Hundred Thousand Dollars (\$300,000), together with instructions to the issuer to allow Lessor to draw upon said letter of credit to compensate or reimburse Lessor for rent coming due under this Lease and any costs, expenses, damages or losses Lessor may incur or pay as a result of or arising from any breach or default under this Lease by Lessee or the encumbrance holder. If the encumbrance holder fails or refuses to comply with any or all of the terms of this paragraph (f) of Article 14.4, Lessor shall be released from the covenants of forbearance contained herein.

(g) Notwithstanding any provisions of this Lease to the contrary, Lessor further agrees that it will not terminate this Lease because of any default or breach by Lessee specified in Article 17 below, if, prior to expiration of the Foreclosure Period, the encumbrance holder gives written notice to Lessor agreeing to cure all curable defaults under this Lease as defined in paragraph (d) of this Article 14.4, and to assume all obligations of Lessee under this Lease during such period that the encumbrance holder, or a receiver appointed at the instance and request of the encumbrance holder, shall be in possession or entitled to possession of the Premises. If the encumbrance holder fails or refuses to comply with any or all of the terms of this paragraph (g) of Article 14.4, Lessor shall be released from the covenants of forbearance contained herein.

(h) In the event a "First Encumbrance Holder" as defined herein succeeds to all interests of Lessee under this Lease and, within thirty (30) calendar days thereafter gives

## EXHIBIT C

Lessor written notice of its request to enter into a new lease covering the Premises as lessee on the same terms and conditions as provided in this Lease, Lessor shall execute and deliver a new lease to the First Encumbrance Holder as lessee for the remainder the Lease Term hereunder provided the First Encumbrance Holder shall have:

- (i) paid to Lessor all rent and other charges due under this Lease, up to and including the date of the commencement of the term of such new lease, together with all reasonable expenses incurred by Lessor in connection with the request for and negotiation of the new lease (including without limitation reasonable administrative, financial, economic, accounting and/or legal costs and fees),
- (ii) cured or commenced to cure any and all other defaults under this Lease, and
- (iii) executed and delivered to Lessor a lease assumption agreement as would be required of an assignee of Lessee's interest under this Lease pursuant to the terms hereof, together with a quitclaim deed.

The First Encumbrance Holder shall not be required to cure any default or event of default under this Lease, which is exclusively personal to Lessee and which no encumbrance holder has the power to cure (such as, for example, the bankruptcy of Lessee), as a prerequisite to the exercise of the rights to a new lease provided herein. The term "First Encumbrance Holder" as used in this Article 14.4 shall mean the encumbrance holder demonstrated to Lessor's reasonable satisfaction to be holding the most senior lien on the interest of Lessee under this Lease, or any portion thereof, as consolidated, renewed, extended, modified or replaced from time to time. Lessor shall have no obligation whatsoever to offer a new lease to any encumbrance holder other than a First Encumbrance Holder, and if for any reason the First Encumbrance Holder fails to request or to sign a new lease within thirty (30) calendar days after delivery by Lessor pursuant to the terms hereof, Lessor shall have no further obligations to enter into or offer a new lease pursuant to this paragraph (h) of Article 14.4.

- (i) Any notice to the encumbrance holder provided for in this Lease may be given contemporaneously with any notice to Lessee.
- (j) Nothing herein contained shall be deemed to impose any obligation on the part of the Lessor to deliver physical possession of the Premises or any part thereof to any encumbrance holder, or any successor thereto, provided, however, that if Lessor is fully indemnified therefor by such encumbrance holder to Lessor's satisfaction (including without limitation indemnification for reasonable attorneys' fees), Lessor shall cooperate with such encumbrance holder (by joining as a party in any appropriate action or proceeding, or otherwise) at the sole cost and expense of such encumbrance holder, and at no cost, expense, risk or liability to Lessor, for the purpose of enabling such encumbrance holder to obtain possession of the Premises.
- (k) Any such new lease, and the leasehold estate thereby created, are intended to continue to maintain the same priority as this Lease, with regard to any encumbrance or mortgage on the Premises, or any part thereof, or any other lien, charge or encumbrance thereon



## EXHIBIT C

caused or made by the Lessor whether or not the same shall then be in existence; provided, however, that although the provisions of this sentence are intended to be self-executing, Lessor shall not be obligated to expend any funds or take any other action to accomplish or obtain such priority for any such new lease or leasehold estate.

(l) Lessee and each encumbrance holder which shall succeed to the rights of Lessee under this Lease, or which shall enter into a new lease pursuant to the terms of this Article 14.4, shall be deemed to have agreed to apply the rents, issues and profits of the Premises to fulfill Lessee's obligations under this Lease, or such new lease (as the case may be) before applying the same for any other purpose.

## **15. Indemnification, Hold Harmless and Insurance.**

### **15.1. Indemnification.**

Except as limited by Article 13.3, Lessee shall defend, protect, indemnify and hold harmless Lessor, its officers, elected officials, agents, consultants, attorneys, employees and volunteers (collectively the "Indemnified Parties" or individually an "Indemnified Party" for the purposes of this Article 15), from and against any and all claims, costs, demands, loss or liability of any kind or nature, including expenses and reasonable attorneys' fees, which an Indemnified Party may sustain or incur or which may be imposed upon them, or any of them, for injury to or death of persons, or damage to property or other interests, as a result of, arising out of, or in any manner connected with this Lease or with the occupancy and use of the Premises by Lessee, its officers, agents, employees, Subtenants, patrons, visitors, or trespassers except such claims and actions caused by Lessor's gross negligence or willful misconduct. If any action or proceeding is brought against an Indemnified Party as provided in the preceding sentence, Lessee shall, upon notice from Lessor, defend the claim at Lessee's sole expense with counsel of Lessee's choosing that is reasonably satisfactory to Lessor. The obligation of Lessee hereunder to the Indemnified Parties shall cease upon the expiration of this Lease or the earlier termination thereof, or any period of holding over, except to the extent the act or event giving rise to such obligation occurred prior to the expiration of the Lease Term or earlier termination of the Lease or any period of holding over.

### **15.2. Waiver of Claims.**

(a) Lessee, as a material part of the consideration for this Lease, hereby waives all claims against Lessor for damages to goods, wares, merchandise, buildings, installations or other improvements in, upon, or about the Premises and for injuries to Lessee, its Subtenants or third persons in or about the Premises from any cause arising at any time, except claims for damages or injuries to the extent such damages or injuries arise out of the gross negligence or willful misconduct of Lessor or the failure by Lessor to perform an affirmative duty imposed under this Lease or by applicable law.

(b) Lessee acknowledges Lessor has informed Lessee of the City of Ventura's VenturaWaterPure project, which may traverse a portion of the Premises. Lessee understands

## EXHIBIT C

that if the VenturaWaterPure project is routed through the Premises, then there may be related construction on the Premises, partial and temporary closures of various areas within the Premises and certain adjacent streets and rights of way during construction, potential permanent impacts such as new easement rights in favor of the City of Ventura on parts of the Premises, and additional impacts to be determined. Lessee further understands and agrees that Lessor is not responsible for and cannot control the City of Ventura's plans with respect to the VenturaWaterPure project and therefore agrees to waive and hold Lessor harmless from any and all claims against Lessor in connection with the VenturaWaterPure project. This Article 15.2(b) is in addition to, and in no way limits, Lessee's general waiver of claims in Article 15.2(a).

### 15.3. **Hazardous Materials and Environmental Indemnity.**

(a) The term "Environmental Law" shall mean, (i) any federal statute, law, code, rule, regulation, ordinance, order, standard, permit, license or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing preservation, conservation or regulation of the environment, regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of human health or the environment including but not limited to: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. §2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. §7401 et seq.; and Clean Water Act, 33 U.S.C. §1251 et seq.; (ii) any state or local statute, law, code, rule regulation, ordinance, order, standard, permit, license or requirement (including consent decrees, judicial decisions and administrative orders) together with all reauthorizations, pertaining to the protection, preservation, conservation or regulation of human health or the environment, including but not limited to soil, groundwater and indoor and ambient air conditions, including, but not limited to, the applicable provisions of the California Health and Safety Code; (iii) any federal, state or local legislation enacted in the future pertaining to the protection, preservation, conservation or regulation of the environment, and all related amendments, implementing regulations and reauthorizations.

(b) The term "Hazardous Material" shall mean, (i) "hazardous substances," as defined by CERCLA, and shall include, but is not limited to any substance, the presence of which on the Premises is either: potentially injurious to the public health, safety or welfare, the environment or the Premises; regulated or monitored by any governmental authority; a potential basis for liability of Lessor to any governmental agency or third party; or a potential basis for cancellation of any insurance policy covering the Premises; (ii) "hazardous waste," as defined by RCRA; (iii) any pollutant or contaminant, or hazardous, dangerous or toxic chemical, waste or substance ("pollutant") within the meaning of the Environmental Laws, which Environmental Laws, prohibit, limit or otherwise regulate the use, exposure, release, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling or such pollutant; (iv) petroleum, crude oil or any fraction or petroleum or crude oil; (v) any radioactive material, including any source, special nuclear or by-production material; (vi) asbestos-containing materials in any form or condition; (vii) polychlorinated biphenyls; and methane gas or any related substance.

## EXHIBIT C

(c) The term “Environmental Actions” shall mean, (i) any notice of violation, complaint, claim (including but not limited to claims based on negligence, trespass, strict liability, nuisance, ultra hazardous activity, toxic-tort or detriment to human health or welfare), citation, demand, inquiry or inquiries, action, assertion of potential responsibility, lien, encumbrance, or legal or administrative proceeding regarding the Premises, whether formal or informal, absolute or contingent, matured or unmatured, brought or issued by any governmental unit, agency, body, or any person or entity respecting: Environmental Laws; public health risks; the environmental condition of the Premises, or any portion thereof, or any property contiguous to the Premises (to the extent caused by the Lessee or the presence of the Hazardous Materials on the Premises), including actual or alleged damage or injury to wildlife, biota, air, surface or subsurface soil or water, or other natural resources; or the use, exposure, release, generation, manufacture, transportation to or from, handling, storage, treatment, recycling, reclamation, reuse, disposal or presence of Hazardous Material either on the Premises or transported offsite for sale, treatment storage, recycling, reclamation, reuse or disposal; (ii) any violation or claim of violation of any Environmental Laws by Lessee; (iii) any lien for damages caused by, or the recovery of any costs incurred for investigation, remediation or clean-up of any release or threatened release of Hazardous Material; or (iv) the destruction or loss of all or any portion of the Premises, or the injury, illness or death of any officer, director, employee, agent, representative, Subtenant or invitee of Lessee or any other person arising from or caused by the environmental condition of the Premises.

(d) Lessee shall not engage in any use of Hazardous Materials (except de minimus quantities of common chemicals which are used, stored, present or handled in the ordinary course of Lessee’s business, or the business of any Subtenant, and are in compliance with all applicable Environmental Laws) in, on or about the Premises (including the installation or use of any above-ground or underground storage tank) without Lessor’s prior written consent. Lessor may condition its consent upon Lessee giving Lessor such additional assurances as Lessor, in its sole and reasonable discretion, deems necessary to protect Lessor, the public, the Premises, Ventura Harbor, and the environment against damage, contamination, injury or liability, including, without limitation, the deposit or additional security under Article 9, above.

(e) Lessee shall comply with all Environmental Laws and cause the Premises to comply with all Environmental Laws. Lessee shall satisfy all requirements of applicable Environmental Laws for the registration, operation, maintenance and removal of all underground storage tanks on the Premises, if any.

(f) Lessee hereby represents that it has conducted all testing, inspection and analysis Lessee deems reasonably necessary with regard to the condition of the Premises. Lessee therefore takes possession of the Premises, and its leasehold interest in the Premises and any improvements now existing on the Premises, in their “as-is” condition and with all faults and Lessee hereby specifically waives any rights Lessee may have against Lessor with regard to the condition of the Premises including, but not limited to soils, toxic or Hazardous Materials, fill material, compaction, geologic constraints and faults.

## EXHIBIT C

(g) If Lessee knows, or has reasonable cause to believe, that a Hazardous Material, or a condition involving or resulting from a Hazardous Material, is present on, under, or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice pursuant to Article 33 below of such fact to Lessor, together with copies of all reports or notifications to or from governmental agencies or private parties concerning the same.

(h) Lessee shall, at its sole cost and expense, comply with (i) any and all requirements necessary for the maintenance of reasonable fire and public liability insurance covering the Premises; and (ii) any and all rules, regulations, requirements and mandates of those federal, state and local public agencies now existing or as may hereafter be established or modified, with jurisdiction, power and authority to monitor, enforce and administer matters relating to air and water quality, waste management and disposal, storage tanks, fish and game, commerce and navigation and other matters of the environment, especially those of a marine nature, within and connected with the Premises and Ventura Harbor.

(i) Lessor shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease and applicable laws and regulations. The cost of the inspection shall be borne by Lessor unless a default under this Lease, violation of law, or a contamination caused or contributed to by Lessee, is found to exist, in which case Lessee shall reimburse Lessor on demand for all costs of inspection, investigation, remediation, restoration or abatement, including all legal, accounting and other professional consulting fees and expenses incurred or paid by Lessor and the value of services provided by employees of Lessor, its officers, elected officials, and lease administrators. Such payment shall be made to Lessor within thirty (30) calendar days after Lessee receives Lessor's written demand therefor pursuant to Article 33, below. Nothing under this Article 15.3 shall give or be construed as giving Lessor the right to direct or control Lessee's actions in complying with Environmental Laws.

(j) Lessor is entitled to rely upon Lessee's representations, warranties and covenants contained under Article 15.3 despite any independent investigations by Lessor or its consultants. Lessee shall take all necessary actions to determine for itself, and to remain apprised of, the environmental condition of the Premises. Lessee shall have no right to rely upon any independent investigations or findings of Lessor or Lessor's consultants.

(k) Lessee shall indemnify, protect, defend (at trial and appellate levels and with counsel, experts and consultants reasonably satisfactory to Lessor) and hold harmless the Indemnified Parties against any losses, liabilities, damages, demands, actions, judgments, causes of action, assessments, penalties, costs and expenses (including, without limitation, the reasonable fees and disbursements of legal counsel and accountants) which might arise or be asserted against Lessor for a claimed violation of any and all present and future federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), including, without limitation, the CERCLA and the applicable provisions of the California Health and Safety Code and the California Water Code, relating to the environment or to any Hazardous Material, activity or substance connected with the condition of the Premises. If any Environmental Action or proceeding is brought against an Indemnified Party, Lessee, upon notice from Lessor, shall

## EXHIBIT C

defend the claim at Lessee's sole expense with counsel of Lessee's choosing that is reasonably satisfactory to Lessor. Lessee's obligations under this paragraph (k) of Article 15.3 shall include, without limitation, loss of rents to Lessor, the effects of any contamination or injury to person, property or the environment, the cost of investigation, remediation, restoration and abatement. Further, Lessee's obligations hereunder shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this paragraph (k) of Article 15.3, unless specifically stated in writing in the agreement and signed by Lessor.

#### 15.4. Insurance.

In addition to and independently of all other provisions of this Lease and at all times during the Lease term, Lessee shall maintain at Lessee's sole cost and expense:

(a) Lessee's Improvements and Betterments insurance coverage to be provided on a property insurance form insuring against all risks of loss (including earthquake and tsunami if reasonably available, which may be covered under a separate form) to any tenant improvements or betterments now existing or hereafter constructed or installed on or within the Premises by Lessee, any predecessor-in-interest of Lessee, or any Subtenant or assignee of Lessee. Coverage shall be at least as broad as that provided by Insurance Services Office Form CP 10 30 (Causes of Loss – Special Form). Coverage shall be written for full replacement value with no coinsurance penalty provision. Limits shall be for the full value of tenant improvements and betterments. Lessor shall be included as an insured and shall be named as "co-loss payee" with any encumbered holder approved by Lessor. The insurer shall waive all rights of recovery against the Lessor. Lessor and Lessee agree that such proceeds may be placed in trust with a trustee acceptable to Lessor and Lessee for the purpose of securing the restoration and replacement of said improvements.

(b) Rental insurance in the form of business income, business interruption, extra expense or similar coverage as part of a commercial property insurance policy or under a separate policy form sufficient to cover all rent payments under this Lease in the event of a business interruption for a period of two (2) years. In no event shall Lessor be liable for any business interruption or other consequential loss sustained by Lessee, whether or not it is insured, even if such loss is caused by the negligence of Lessor, its employees, officers, directors, or agents. Rent shall not abate as a result of any damage to or destruction of the Premises other than as set forth in Article 21.5, below. Any rent insurance proceeds received by Lessor by reason of such damage or destruction of the Premises shall be applied by Lessor to the payment of rent, but this shall not relieve Lessee of any obligation under this Lease including the obligation to pay rent.

(c) Boiler & Machinery insurance with limits of not less than actual replacement cost for all property and improvements, encompassing explosion and breakdown. Lessee shall obtain and deliver to Lessor, along with copies of all policies of insurance required hereunder, a joint loss endorsement for property and boiler and machinery policies. The Lessor is to be added as insured to boiler and machinery coverage.



## EXHIBIT C

(d) Builder's all-risk insurance using an inland marine form during the period of any major alteration or improvement, using the broadest form of coverage available. Lessor shall be named as loss payee. Lessor and Lessee agree that such proceeds may be placed in trust with a trustee acceptable to Lessor and Lessee for the purpose of securing the restoration and replacement of said improvements.

(e) Commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 001 or the exact equivalent. Defense costs must be paid in addition to limits, including defense for additional insureds. Limits shall be no less than two Million Dollars (\$2,000,000) per occurrence for all covered losses and no less than Two Million Dollars (\$2,000,000) general aggregate. If the policy aggregate limit is not twice the per occurrence limit, a separate aggregate limit of liability applicable only to the Premises shall be endorsed on the policy using Insurance Services Office form CG 25 04 or its equivalent. An umbrella policy of no less than Ten Million (\$10,000,000) shall also be required.

(f) Workers' compensation insurance on a state-approved policy form providing statutory benefits as required by California law with employer's liability limits no less than One Million Dollars (\$1,000,000) per accident for all covered losses. Lessee shall also procure and maintain, at all time during the Lease Term, insurance against liability arising from or related to the United States Longshoremen's and Harbor Workers' Act, hereafter "USL&H." If the USL&H exposure is incidental or only occasional, coverage may be endorsed on Lessee's workers' compensation policy on an "if any" basis.

(g) The following conditions shall apply to the foregoing insurance requirements of this Article 15.4:

(i) All policies of insurance shall be issued by insurance companies licensed to do business in the State of California and rated not less than A-: VII by A. M. Best's, or such other rating service as Lessor shall select in its sole discretion if Best's is no longer available or providing such rating service.

(ii) Lessee agrees to endorse the third party general liability coverage required herein to include as additional insureds Lessor, its officials, employees and agents, using standard ISO endorsement No. CG 20 10 with an edition date of 1985. Lessee also agrees to require all Subtenants, vendors or other parties frequently on the Premises to do likewise.

(iii) Any waiver of subrogation express or implied on the part of Lessor to any party involved in this Lease, or related documents or transactions, applies only to the extent of insurance proceeds actually paid. Lessor, having required that it be named as an additional insured to all insurance coverage required herein, expressly retains the right to subrogate against any party for sums not paid by insurance. For its part, Lessee agrees to waive subrogation rights against Lessor regardless of the applicability of any insurance proceeds, and to require the same of all of its Subtenants.

(iv) All insurance coverage maintained or procured by Lessee or required of others by Lessee pursuant to this Article 15.4 shall be endorsed to delete the subrogation condition as to Lessor, or to specifically allow Lessee or others providing

## EXHIBIT C

insurance herein to waive subrogation prior to a loss. This endorsement shall be obtained regardless of existing policy wording that may appear to allow such waivers.

(v) All insurance coverage provided pursuant to Article 15.4 or any other agreement (express or implied) between Lessor and Lessee or any Subtenants or in any way relating to Lessor, is intended to apply to the full extent of the policies involved. Nothing referred to herein or contained in this Lease or any agreement involving Lessor in relation to the improvements contemplated by this Lease is intended to be construed to limit the application of insurance coverage in any way.

(vi) None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind unless Lessee has requested approval in writing by Lessor. Lessor shall respond within thirty (30) days of receipt of written request approving or disapproving the limiting endorsements of the policy.

(vii) All coverage types and limits required are subject to approval, modification and additional requirements by Lessor, as the need arises. Lessee shall not make any reductions in scope of coverage (e.g., elimination of contractual liability or reduction of discovery period) that may affect Lessor's protection without Lessor's prior written consent.

(viii) Proof of compliance with these insurance requirements, consisting of endorsements and certificates of insurance shall be delivered to Lessor at or prior to the execution of this Lease. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, Lessor has the right, but not the duty, to obtain any such replacement insurance to protect its interests under this Lease and to pay the premium or to terminate this Lease. Any premium so paid by Lessor shall be charged to and paid by Lessee within ten (10) calendar days after receiving Lessor's statement therefor.

(ix) Lessee agrees to endorse, and to require others to endorse, the insurance provided pursuant to these requirements, to require thirty (30) days' written notice to Lessor prior to cancellation of any such coverage and notice of any material alteration or non-renewal of any such coverage, and to require the same of any of Lessee's Subtenants.

(x) It is acknowledged by the Parties that all insurance coverage required to be provided by Lessee or any Subtenants is intended to apply first and on a primary non-contributing basis in relation to any other insurance or self-insurance available to Lessor.

(xi) Lessee shall ensure that its Subtenants provide the same minimum insurance coverage required of Lessee. Lessee shall obtain additional insured endorsements benefiting Lessor on all such Subtenant policies. Lessee agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Article 15.4. Lessee

## EXHIBIT C

agrees that upon advance written request, all insurance agreements with its Subtenants, if separate from its subleases, will be submitted to Lessor for review.

(xii) Lessee agrees that all layers of third party liability coverage required herein, primary, umbrella and excess, will have the same starting and expiration date.

(xiii) Lessee shall not self-insure or use any self-insured retentions or deductibles on any portion of the insurance required herein and, further, will not allow any Subtenant to self-insure its obligations to Lessor.

(xiv) For purposes of applying insurance only, all contracts pertaining to improvements contemplated by this Lease will be deemed to be executed when finalized and any activity commences in furtherance of performance under this Lease.

(xv) Lessee acknowledges and agrees that any actual or alleged failure on the part of Lessor to inform Lessee of non-compliance with any insurance requirement in no way imposes any additional obligations on Lessor, nor does it waive any rights of Lessor hereunder, in this or any other regard.

(xvi) The required coverages will be renewed annually by Lessee as long as Lessor, or its employees or agents face an exposure from operations of any type pursuant to this Lease. This obligation applies whether or not the Lease is canceled or terminated for any reason. Termination of this obligation is not effective until Lessor executes a written statement to that effect.

(xvii) Lessee agrees not to use, as a defense to avoid its obligations to Lessor under this Lease, any statutory immunity under any workers' compensation statute or similar statute.

(xviii) Requirements of specific coverage features are not intended as limitations on other requirements or as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be all-inclusive.

## **16. Assignment and Subletting.**

### **16.1. Restrictions on Assignment.**

(a) Except as otherwise permitted in connection with assignments as security for an encumbrance under Article 14, above, Lessee shall not assign, transfer, convey or otherwise sell this Lease, or Lessee's interest in this Lease or in the Premises, or any portion thereof, without the prior written consent of Lessor. If Lessor elects not to exercise its right and option to accept the assignment of this Lease on the terms and conditions set forth in paragraph (b) of this Article 16.1, Lessor shall act in a commercially reasonable manner in granting or denying its approval of any proposed assignment. Lessee acknowledges and understands that Lessor has entered this Lease after having conducted ample due diligence as to Lessee's ability



## EXHIBIT C

and experience to further develop, improve and operate the proposed businesses on the Premises, thereby improving the collective public perception and operations of both Lessee and Lessor. Accordingly, Lessee waives any right to terminate this Lease in the event Lessor is found to have unreasonably withheld its approval of any proposed assignment. As a condition precedent to Lessor's determination of commercial reasonableness, the following requirements must be met:

(i) Lessee shall have given Lessor reasonable advance written notice, which shall not be less than ninety (90) calendar days, of the proposed assignment sufficient to enable Lessor to conduct an investigation and review of the transaction and the proposed assignee and to reasonably determine whether to exercise its rights under paragraph (b) of this Article 16.1.

(ii) Lessee shall have provided Lessor with such appropriate documentation as Lessor may require to evaluate any proposed assignment, including (1) all transaction, financing, and escrow documents, which shall specify any brokerage commissions, finder's fees or other charges and payments to third persons not parties to the proposed assignment, (2) if the proposed assignee is a corporation, but not a Publicly Traded Corporation or a limited liability company, the name and address of each shareholder or member and his or her shareholding or membership interest in the proposed assignee, (3) if the proposed assignee is a partnership or joint venture, the name and address of each general partner or joint venturer, and a statement of his or her equity interest in the proposed assignee, (4) evidence of the proposed assignee's business history, (5) current financial statement(s) for the proposed assignee(s), (6) the last three years' income tax returns for the proposed assignee(s) or general partners thereof, if the proposed assignee is a partnership, (7) the business plan and financial projections of the proposed assignee(s) for, at a minimum, the next five years, (8) a statement of any litigation affecting the proposed assignee(s), member(s) or general partners thereof, if the proposed assignee is a partnership or limited liability company, (9) identification of each operator or independent contractor the proposed assignee intends to use in its business operations on the Premises, including name, address, business experience and references, (10) copies of any management or operation agreements between the proposed assignee and its independent contractors which shall be subject to specific prior approval by Lessor, (11) such other information and material that evidences that proposed assignee has the experience, reputation, business background comparable to Lessee in the industry, and financial capacity to reasonably ensure the continued prompt performance of the obligations of Lessee under this Lease after such assignment is to become effective and, (12) such other documents and information as may be required by Lessor to determine the commercial reasonableness of the proposed assignment.

(iii) The proposed assignee shall expressly agree in writing in a form acceptable to Lessor to be bound by all of the terms, covenants, conditions and agreements of this Lease.

(iv) Lessee is not in default.

## EXHIBIT C

(v) Lessee shall pay Lessor a non-refundable fee for processing each request for approval of assignment in the amount of Two Thousand Five Hundred Dollars (\$2,500), which fee shall accompany any such request. Lessee shall also pay Lessor's out-of-pocket costs and overhead expense, if any, that may be incurred in connection with the processing of said assignment, including without limitation the cost of making investigations as to the acceptability of the proposed assignee, together with any and all other reasonable administrative, financial, economic, accounting and/or legal costs and fees incurred or expended in connection with any such proposed assignment. The payment of Lessor's out-of-pocket costs and overhead expenses shall be made within thirty (30) calendar days after Lessee receives an invoice from Lessor for said costs and expenses.

(vi) The proposed assignee shall, in Lessor's reasonable business judgment, have sufficient business reputation comparable to Lessee in the industry and/or experience to operate a successful business of the type and quality permitted under this Lease.

(vii) The proposed assignee(s) shall sign and deliver to Lessor a quitclaim deed in the form attached hereto as Exhibits "F".

(viii) The proposed assignee(s) shall provide to Lessor all funds necessary to replace, replenish, or increase any security deposit required to be made under Article 9 of this Lease.

(ix) The Lessee shall pay Lessor all sums due as "Appreciation Rent" for an assignment of this Lease, if any, under and pursuant to Article 19, below.

(x) If the proposed assignee is not a Publicly Traded Corporation, the principal shareholders of the corporation or members of a limited liability company (whose combined stockholding interests shall be at least equal to seventy-five percent (75%) of all the issued and outstanding voting stock of the corporation or seventy-five percent (75%) of the equity interests of all members of a limited liability company, as the case may be) shall each individually and separately execute and deliver to Lessor their Personal Guaranty of this Lease in the form attached hereto as Exhibit "H", below.

(b) If Lessee proposes to assign this Lease to any person or entity who shall have made a firm good faith offer to accept an assignment of this Lease on terms acceptable to Lessee, Lessee shall give Lessor written notice of said proposed assignment, specifying all material terms and provisions of the good faith proposal, and providing copies of all documents as required under paragraph (a), above, of this Article 16.1. Lessor shall then have the right and option, to be exercised by a written notice to Lessee pursuant to Article 33, below, to accept an assignment of this Lease on the terms and conditions and for the same consideration, if any, as the good faith offer made by any person or entity, less any brokerage commissions, finder's fees or other charges and payments to third persons not parties to the proposed assignment and with no Control relationship whatsoever with Lessee or the proposed assignee, which are payable by Lessee out of the consideration to be paid for or as a result of the proposed assignment of this

## EXHIBIT C

Lease. This right and option must be exercised, if at all, by Lessor within sixty (60) calendar days after receipt by Lessor of the notice of proposed assignment from Lessee and Lessor's receipt of all documents required under paragraph (a) of this Article 16.1. If Lessor exercises the right and option set forth herein, Lessee shall thereafter be relieved and released from all duties and obligations under this Lease arising after the date Lessee receives or is deemed to have received Lessor's written notice of acceptance of assignment as above provided. For purposes of this paragraph (b) of Article 16.1, a proposed sublease of a majority of the income producing square footage of the Premises for eighty percent (80%) or more of the remainder of the Lease Term shall constitute an assignment hereunder, and Lessor shall have all rights specified herein with respect to such proposed sublease.

(c) If Lessee is a corporation, a limited liability company or a partnership of any kind or an unincorporated association, any sale, transfer, conversion, redemption or encumbrance, hereafter "Transfer" or "Transfers", of any voting stock or ownership interest in Lessee which (i) results in a change in Control of Lessee, or (ii) either separately or in the aggregate with other Transfers taking place after the effective date of this Lease, or since the last assignment of this Lease under this Article 16, whichever event is the last to occur, shall constitute an assignment for purposes of this Article 16. If Lessee is a corporation, but not a Publicly Traded Corporation, Lessee shall concurrently with the execution of this Lease deliver to Lessor a list of all shareholders of the corporation, which list shall be certified to be true and correct by the secretary of the corporation, and Lessee shall give Lessor written notice of any proposed Transfer at least thirty (30) calendar days prior to such Transfer taking place and regardless of whether said Transfer is itself an assignment or will be deemed to be an assignment under this Article 16. If Lessee is a limited liability company, a partnership, joint venture or unincorporated association, Lessee shall concurrently with the execution of this Lease deliver to Lessor a list of all members, partners, joint venturers or owners constituting Lessee, specifying the type of member or partner and percentage ownership interest of each member, partner, joint venturer or owner, which list shall be certified to be true and correct by at least one general partner or managing owner or member of Lessee. Further, if any proposed transferee is a limited liability company, a partnership, joint venture or unincorporated association, a similar certified list of members, partners, joint venturers or owners in the proposed transferee shall be delivered to Lessor together with the written notice of proposed Transfer specified above.

(d) Any assignment without Lessor's prior written consent shall be void and, at the option of Lessor, be grounds for terminating this Lease.

(e) Neither an assignment of this Lease by Lessee nor Lessor's consent to any assignment shall operate to release or discharge Lessee from any obligations under this Lease unless Lessor's written consent to assignment expressly so stipulates.

(f) Notwithstanding anything to the contrary herein, until the time the required improvements and landscaping are substantially completed as required by Article 8.1 ("Construction Period"), Lessee shall not be permitted to assign this Lease or any interest herein—except (i) as otherwise permitted in connection with assignments as security for an encumbrance under Article 14 or without the prior written consent of Lessor; (ii) an assignment to a related entity whose ownership interest or composition is substantially the same as that of Lessee; or (iii) an assignment that is approved by Lessor in its reasonable discretion.

## EXHIBIT C

(g) In evaluating a proposed assignment under subsection 16.1(f)(iii), Lessor may consider factors including, but not limited to, the business reputation, financial standing, available capital, credit rating, and industry experience of such proposed assignee, and base its decision of whether or not to consent upon its evaluation of these and any other factors which Lessor deems necessary or appropriate, in its reasonable discretion, in its evaluation of the proposed assignment. Notwithstanding the definition of “Control” in Exhibit A, Lessee shall be entitled to assign the ownership, directly or indirectly, of no more than forty-nine percent (49%), cumulatively, of the voting or ownership interests of, or the possession of the right to vote or direct the vote of no more than forty-nine percent (49%), cumulatively, of the voting interest in, Lessee with Lessor’s approval (which shall not be unreasonably conditioned, delayed, or denied) in the event of any one or more of Lessee’s principals suffering a catastrophic injury, permanent disability, terminal illness, or similarly significant physical or mental impairment. As a condition to Lessor’s consent, Lessor may require the principals of such proposed assignee execute and deliver to Lessor their Personal Guaranty of this Lease in the form attached hereto as Exhibit “H”.

## **16.2. Assignments Pursuant to the Bankruptcy Code.**

The restrictions on assignments of this Lease and other terms and conditions set forth in Article 16.1, above, and the provisions relating to Appreciation Rent set forth in Article 19, below, shall, to the extent allowed by law, apply to any assignment, transfer, conveyance or sale of this Lease, or any interest of Lessee under this Lease pursuant to the Bankruptcy Code or by operation of law. In addition, the following restrictions shall be conditions precedent to the effectiveness of the assignment or other transfer, conveyance or sale of this Lease:

(a) Any person or entity to which this Lease, or any interest herein, is so assigned, transferred, conveyed or sold, shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall, upon demand by Lessor, execute and deliver to Lessor a written document confirming such assumption.

(b) Such assignee shall provide Lessor with cash deposits, appropriate bond or bonds, personal guarantees or other forms of security acceptable to Lessor to ensure the future performance of the obligations of Lessee remaining to be performed under this Lease, provided such cash, bond or security is in commercially reasonable amounts, taking into account Lessee’s past performance under this Lease and the extent and nature of the proposed assignee’s future obligations hereunder.

(c) Any and all monies, cash equivalents, or other consideration payable or otherwise to be delivered in connection with each assignment shall be paid or delivered to Lessor, shall be and remain the exclusive property of Lessor and shall not constitute property of Lessee or of the estate of Lessee within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Lessor’s property under the preceding sentence not paid or delivered to Lessor shall be held in trust for the benefit of Lessor and be promptly paid or delivered to Lessor.

## EXHIBIT C

(d) The lease of real property set forth herein is a lease in a shopping center within the meaning of the Bankruptcy Code. The factors upon which the parties rely in making this agreement include, but are not limited to, the common interests served by the controls on hours of business operations for Subtenants, limitations on uses between leaseholds so as to ensure a compatible mix of business activity throughout Ventura Harbor, marketing and promotional programs for Ventura Harbor as a whole, and for the benefit of all lessees and common parking facilities.

**16.3. Restrictions on Subletting.**

Lessee acknowledges and understands that Lessor has entered this Lease after having conducted ample due diligence as to Lessee's ability and experience to operate the proposed businesses on the Premises, thereby improving the collective public perception and operations of both Lessee and Lessor. Lessee shall therefore not sublet the Premises, or any portion thereof, or any right or privilege appurtenant thereto, and shall not sublet any buildings, or other structures on the Premises, without the prior written consent of Lessor. Lessor shall act reasonably in reviewing and granting or denying its approval of subleases pursuant to this Article 16.3; however, Lessor need not consider approval of any sublease if Lessee is in default under any provision of this Lease at the time Lessor's consent is requested or at the time the sublease is to be or become effective, or if Lessor has a reasonable belief that the sublease has been so structured and negotiated to avoid the sublease being considered as an assignment under Article 16.1, above, nor must Lessor approve any sublease which does not, as a minimum, meet or conform to the following criteria:

(a) Lessee shall give Lessor reasonable advance written notice of the proposed sublease, providing appropriate documentation to Lessor as Lessor may reasonably require relating to the financial capacity and reputation of the proposed Subtenant (excluding limited partners and shareholders), including, but not limited to, a statement of pending litigation involving the proposed Subtenant, past employment and business history of Subtenant and its managing agents or officers, and a listing of any felony convictions of Subtenant, or each separate entity or person making up Subtenant.

(b) Subtenant must acknowledge in writing that Subtenant has had an opportunity to review and has reviewed the terms and provisions of this Lease.

(c) Subtenant must acknowledge in writing that the sublease is subordinate and subject to this Lease and that Subtenant shall attorn to Lessor in the event Lessor succeeds to the interests of Lessee/sublessor.

(d) By consenting to the sublease, regardless of whether or not the sublease contains provisions for the renegotiation of the rent to be paid by Subtenant to Lessee/sublessor, Lessor shall not be deemed to have waived its right to renegotiation of rents under this Lease and Lessee/sublessor shall be bound by all rent renegotiation provisions of this Lease. All subleases entered into by Lessee shall provide that Subtenant shall become subject to such revisions should they occur.



## EXHIBIT C

(e) If the business activities of the proposed Subtenant to be conducted on the sublet portion of the Premises will generate Gross Revenue as that term is defined in this Lease, the sublease shall contain an express provision obligating the proposed Subtenant to conduct its business activities as a continuous operation during all normal business hours as required by Article 25, below.

(f) No sublease term shall exceed or extend beyond the Lease Term.

(g) The Subtenant must acknowledge in writing that Subtenant waives all claims against Lessor for damages to goods, wares, merchandise, buildings, installations or other improvements in, upon, or about the sublet portion of the Premises, and agrees that Subtenant shall indemnify and hold harmless Lessor, its elected officials and representatives, officers, agents, attorneys, employees and volunteers (the "Indemnified Parties" for the purposes of this subsection), from and against any and all claims, demands, loss or liability of any kind or nature which the Indemnified Parties may sustain or incur or which may be imposed upon them or any of them (i) for injury or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the sublease or with the occupancy and use of any portion of the Premises by Subtenant, its officers, agents, employees, contractors, concessionaires, licensees, patrons or visitors, and (ii) in connection with any and all liens for labor, services, supplies or materials arising out of the design, construction, repair, alteration or installation of structures, improvements, equipment or facilities within the Premises caused by Subtenant.

(h) Subtenant shall not discriminate against any person or class of persons by reason of sex, race, color, religious creed, ancestry, national origin, age, disability, physical handicap, sexual orientation, medical condition or marital status, and shall make its accommodations and services available to all persons on an equal basis.

(i) No alterations, improvements, or erecting of signs may be accomplished by Subtenant on the Premises without the prior written approval of Lessor and such other governmental agencies as may have jurisdiction over said work.

(j) Lessee pays a non-refundable fee to Lessor for processing each request for consent to a sublease in the amount of Two Thousand Five Hundred Dollars (\$2,500), plus Lessor's out-of-pocket expenses paid to unrelated third parties such as attorneys, accountants and other consultants connected with the processing of the request for consent to sublease, if any. The payment of Lessor's out-of-pocket costs and overhead expenses shall be made within thirty (30) calendar days after Lessee receives an invoice from Lessor for said costs and expenses.

(l) Under the sublease, Subtenant shall expressly agree in writing to maintain and make available for inspection by Lessor all records required by Article 6, above, in the manner set forth in that Article.

(m) Lessee/sublessor shall grant Subtenant only non-exclusive rights for the conduct of any business activities and operations on the Premises, unless Lessor shall expressly agree otherwise in writing.

## EXHIBIT C

(n) The sublease shall expressly obligate the Subtenant to conduct its business operations in compliance with the schedules, price lists and procedures therefor approved by the General Manager of Lessor as required by Articles 25 and 26, below.

**16.4 Lessor's Discretion.**

(a) In granting its consent to any sublease or related encumbrancing, Lessor shall have the right to impose upon the proposed Subtenant, as a condition to its consent, compliance with all terms, covenants, conditions and agreements in this Lease. Any subletting of a subleasehold estate by a Subtenant, or by Lessee as sublessor, without such consent, shall be considered a material default under this Lease, and shall, at the option of Lessor, be grounds for terminating this Lease. Lessee waives any right to terminate this Lease in the event Lessor is found to have unreasonably withheld its approval of any proposed sublease.

**16.5 Sublease Income.**

Lessee shall remain responsible for the minimum annual rent and percentage rent for all Gross Revenue generated on the Premises for and by any and all subleases and sublessees in the same manner as was due by Lessee to Lessor pursuant to Article 6 of this Lease.

**16.6 Transfer on Termination.**

Termination of this Lease prior to expiration of the Lease Term shall not serve to cancel approved subleases, but shall operate as an assignment to Lessor of any and all such subleases and all rights of Lessee thereunder shall terminate and shall pass to Lessor, provided the Subtenant is not then in default under any term or provision of the sublease. Lessor shall also succeed to rights, title and interests of Lessee/sublessor to any security and other deposits made by Subtenant under the sublease, but shall only be responsible to any Subtenant for such security and/or deposits actually received by Lessor. Lessor agrees to be bound by the terms of said subleases so long as Subtenants are not in default in the performance of their obligations under said subleases. Lessor may, at its option, transfer said subleases to a new lessee or otherwise as Lessor deems necessary.

**16.7 Assignment and Sublease Documents.**

It shall be the sole responsibility of Lessee to ensure that all documents relating to any assignment or sublease of all or any portion of the Premises shall be consistent with the terms and provisions of this Lease, and particularly this Article 16.

**16.8 Consent Not a Waiver.**

Any consent by Lessor to one assignment, transfer, conveyance, sale, subletting, occupation or use by any person shall not be deemed to be a consent to any subsequent assignment, transfer, conveyance, sale, subletting, occupation or use, nor shall such consent constitute or operate as a waiver, release, modification or abandonment by Lessor of any rights or claims of Lessor under this Lease.

## EXHIBIT C

**17. Default.****17.1 Definition of Default.**

Not by way of limitation, the following shall be deemed a default by Lessee and, subject to Article 17.2, a material breach of this Lease:

- (a) Failure to pay any rent due under this Lease, including minimum annual rent, percentage rent, and Appreciation Rent, taxes of any type or nature connected with the Premises or the possession, use or occupation of the Premises, or any other sum, fee, assessment or liquidated damages specified under this Lease to be paid by Lessee to Lessor, including any amounts due from an approved sublessee;
- (b) Failure to pay principal and/or interest, or any other sum when due, to an encumbrance-holder approved by Lessor, taking into account any grace period or rights of waiver or deferral contained in the applicable mortgage documents;
- (c) Failure to furnish any monthly or annual statements of Gross Revenue pursuant to Article 6.6, above, within the time required;
- (d) Failure to reimburse Lessor within the time required for the cost of auditing any monthly or annual statement pursuant to paragraph (e) of Article 6.5, above;
- (e) Failure to adopt or implement accounting or recordkeeping procedures as requested by the lease auditor under paragraph (f) of Article 6.6, above;
- (f) Permitting the Premises, or any portion thereof, to be used for any purpose or purposes not authorized by or in violation of Article 7, above;
- (g) Failure to complete construction of the required improvements to be constructed on the Premises pursuant to Article 8.1, above, within the time required;
- (h) Failure to replenish or increase the deposit serving as security for Lessee's obligations under this Lease pursuant to Article 9.1, above, within the time required;
- (i) Failure to provide any construction, payment, performance or lien release bond required to be provided by Lessee under Article 9.2, above, according to all terms, provisions and conditions specified therein;
- (j) Failure to submit schematics, preliminary plans, working drawings, environmental assessments or draft supplemental or subsequent environmental impact reports for the interim modernization programs pursuant to Article 10.2 above, within the time required;
- (k) Failure to complete construction or implementation of the interim modernization program pursuant to Article 10.2, above, within the time required. Provided however, the time required to complete such interim modernization programs shall be extended



## EXHIBIT C

if, but only to the extent, the failure to complete interim modernization programs is caused by or results from: (i) acts of God; (ii) flood, fire, earthquake, or other natural disasters; (iii) war, invasion, terrorists threats or acts, riots or other civil unrest; (iv) government order, law, or action; or (v) national or regional emergency;

(l) Failure to pay Lessor for the cost of repairs and replacements made by Lessor pursuant to paragraph (b) of Article 11.1, above, within the time required;

(m) Encumbering, or attempting to encumber, Lessee's interest in the Premises, or any part thereof, or in the improvements on the Premises, or any part thereof, without first obtaining Lessor's prior written consent to such encumbrance pursuant to Article 14, above;

(n) Failure to reimburse Lessor for all costs associated with a Hazardous Material contamination of the Premises caused or contributed to by Lessee, or its Subtenants, pursuant to paragraph (i) of Article 15.3, above, within the time required;

(o) Failure to maintain required insurance or insurance coverages, or to implement changes in such insurance or insurance coverages, pursuant to Article 15, above;

(p) Failure to reimburse Lessor for any insurance premium paid by Lessor, pursuant to Article 15.4, above, within the time required;

(q) Voluntarily assigning or subleasing, or attempting to voluntarily assign or sublease, Lessee's interest under this Lease in the Premises, or any part thereof, or improvements thereon, without first obtaining Lessor's prior written consent pursuant to Article 16.1, above;

(r) Abandonment of the Premises by Lessee at any time during the Lease Term;

(s) Failure of Lessee to commence the repair, construction, reconstruction, replacement or restoration of the Premises, or any part thereof, or any building, structure or other improvement thereon, within the time required, and/or to diligently prosecute such work to completion, pursuant to Article 21.6, below;

(t) Failure of Lessee or its Subtenants to conduct business operations on the Premises in full compliance with the effective schedules and procedures therefor, pursuant to Article 25, below;

(u) Failure to maintain a schedule of prices approved by the General Manager of Lessor, or changing or attempting to change said schedule without Lessor's prior written consent;

(v) Failure to do, observe, keep and perform any of the covenants, conditions and agreements of this Lease to be done, observed, kept or performed by Lessee;

## EXHIBIT C

(w) Submission by Lessee to Lessor of any financial statement, balance sheet, income statement or other financial information including, without limitation, any schedule of aged accounts payable, containing any intentionally misleading or materially false information;

(x) Failure to immediately commence curing of any default involving action other than the payment of money, and promptly to proceed in good faith to rectify the same and prosecute the same to completion with diligence;

(y) Any involuntary assignment or transfer of Lessee's interest in the Premises under this Lease or any part thereof, or improvements thereon, without first obtaining the prior written consent of Lessor;

(z) Filing of a voluntary or involuntary petition in bankruptcy, or for reorganization, or for an arrangement by Lessee, by a managing member or partner of Lessee, if Lessee is a limited liability company, general partnership or joint venture, or by a general partner of Lessee, if Lessee is a limited partnership;

(aa) Appointment of a receiver of the business or assets of Lessee, or of a member or partner of Lessee, if Lessee is a limited liability company or a general partnership or joint venture, or of a general partner of Lessee, if Lessee is a limited partnership, except a receiver appointed at the instance and request of an approved encumbrance holder; and

(bb) The making of a general assignment or an assignment for the benefit of creditors, whether voluntarily or involuntarily, by Lessee, by a managing member or partner of Lessee, if Lessee is a limited liability company, general partnership or joint venture, or by a general partner of Lessee, if Lessee is a limited partnership.

As used in this Lease, the word "default" includes the word "breach."

## **17.2 Lessee's Right to Cure a Default.**

(a) As to any default identified in Article 17.1, above, which can be cured by the payment of money to Lessor, an encumbrance holder or other governmental entity or agency, Lessee may cure such default by making the required payment within ten (10) calendar days after receiving written notice from Lessor pursuant to Article 33, below, to remedy or cure such default.

(b) As to any default identified in Article 17.1, above, which cannot be cured by the payment of money, and excluding the events of default identified in paragraphs (z), (aa) and (bb) of Article 17.1, above, Lessee may cure such default by taking such action and doing such things as may be necessary to cure such default within thirty (30) calendar days after receipt of written notice from Lessor pursuant to Article 33, below.

(c) As to any default identified in paragraph (z) of Article 17.1, above, Lessee may cure such default by obtaining and delivering to Lessor, a dismissal of the petition in bankruptcy upon which the event of default is based within sixty (60) calendar days after filing of the bankruptcy petition.

## EXHIBIT C

(d) As to any default identified in paragraph (aa) of Article 17.1, above, Lessee may cure such default by obtaining and delivering to Lessor, a dismissal of the legal proceedings upon which the event of default is based within sixty (60) calendar days after receipt of written notice from Lessor pursuant to Article 33, above, to remedy or cure such default.

### 17.3 Lessor Remedies.

(a) In the event Lessee fails, refuses or neglects to cure a default within the time specified in Article 17.2, above, then, in addition to any other remedy Lessor may have by operation of law, including all rights available to Lessor under Sections 1951.2 and 1951.4 of the Civil Code of the State of California (where a lessor is given the right, among others, to continue the lease in effect after a lessee's breach and abandonment and recover rent as it becomes due, if the lessee has a right to sublet or assign, subject to reasonable limitations), or otherwise provided herein, Lessor shall have the right and option, without further demand or notice, to:

(i) Declare this Lease at an end, in which event Lessee shall immediately pay Lessor a sum of money equal to the amount, if any, by which the then cash value of the rent reserved under this Lease for the balance of the Lease Term exceeds the then cash reasonable rental value of the Premises for the balance of the Lease Term; or

(ii) Without terminating this Lease, relet the Premises, or any part of the Premises, as the agent for and for the account of Lessee, upon such terms and conditions as Lessor may deem advisable, in which event the rents received on such reletting shall be applied first to the expenses of Lessor in such reletting and collection, including the cost of advertising, any necessary renovation and alterations of the Premises to accommodate the requirements of the new tenant, reasonable attorneys' fees, the reasonable value of services provided by Lessor's employees and any real estate commissions paid, and thereafter to payment of all sums due or to become due Lessor under this Lease. If a sufficient sum is not realized to pay all such costs and expenses and other charges, Lessee shall immediately pay Lessor, upon demand, any deficiency, even though Lessor may have received rent in excess of the rent stipulated to in this Lease in previous or subsequent months, and Lessor may therefor bring an action as such monthly deficiency shall arise. Lessor shall in no event be liable in any way whatsoever for failure to relet the Premises, or in the event that the Premises are relet, for failure to collect the rent under such reletting; or

(iii) At the option of Lessor, this Lease shall continue in effect for the remainder of the Lease Term so long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all of the rights and remedies under this Lease, including, but not by way of limitation, the right to recover from Lessee the rent, and all other sums and amounts as they become due hereunder.

If Lessor elects to declare this Lease at an end as provided in this subsection (a), Lessor may, but is not required to, give written notice of termination of this Lease to Lessee

## EXHIBIT C

pursuant to Article 33, below, which notice shall be effective as therein set forth. Lessor may also record the quitclaim deed referred to in Article 9.3.

(b) In the event that Lessee files any type of petition in bankruptcy or has such petition filed against it, and Lessor cannot elect to terminate this Lease pursuant to law, and in the event that the trustee or receiver appointed by the bankruptcy court assumes or adopts or fails to disaffirm this Lease and fails or refuses to give Lessor adequate assurance of compliance with this Lease, then Lessor shall have the right to terminate this Lease within thirty (30) calendar days after gaining knowledge of such failure to give such adequate assurances, or within thirty (30) calendar days after receipt of written notice from said trustee or receiver of refusal to give such adequate assurances, whichever is earlier.

#### **17.4 Right of Re-entry.**

The exercise of any right of re-entry by Lessor under Article 17.3, above, shall be allowed by Lessee without hindrance, and Lessor shall not be liable in damages to Lessee or its Subtenants for any such re-entry, or be guilty of trespass or forcible entry.

#### **17.5 Percentage Rent upon Default.**

For purposes of this Article 17, the percentage rent for any period after default by Lessee shall be at a monthly rate, equal to the average monthly percentage rent which Lessee was obligated to pay Lessor during the twelve (12) months immediately preceding the month during which such default occurs (taking into account monthly payments of minimum annual rent paid by Lessee during said period) or the actual percentage rent due hereunder, whichever amount is greater.

#### **17.6 Lessor's Right to Cure Default.**

In the event of Lessee's breach or default of any term, covenant or condition in this Lease, Lessor may, at any time after thirty (30) calendar days' written notice of default to Lessee and Lessee's failure to cure, act to cure such default for the account of and at the expense of Lessee. If Lessor at any time by reason of such breach or default is compelled to pay, or elects to pay, any sum of money or to do any act which will require the payment of any sum of money, or is compelled to incur any expense, including fees on account of services rendered or work performed by accountants or consultants, or reasonable attorneys' fees in instituting, prosecuting, or defending any actions or proceedings to enforce Lessor's rights under this Lease or otherwise, the sum or sums paid by Lessor shall bear interest at the maximum rate then allowed by law, and all such interest, costs and damages shall be deemed to be additional rent under this Lease and shall be due from Lessee to Lessor on the first day of the month following the incurring of such expenses.

#### **17.7 Attorneys' Fees.**

In the event of the bringing of any action or other legal type proceeding by either Party against the other by reason of the breach of any covenant or condition on the part of the

## EXHIBIT C

other Party or arising out of this Lease, the prevailing party in whose favor final judgment shall be entered shall be entitled to recover reasonable attorneys' fees.

### 17.8 Right to Legal and Equitable Remedies, Waiver and Judicial Reference.

(a) In the event of a default or threatened default by either Party of any term, covenant, condition or agreement of this Lease, the other Party shall have the right of injunction and the right to invoke any remedy allowed by law or in equity. Mention in this Lease of any particular remedy shall not preclude either Party from any other remedy at law or in equity.

(b) Lessor and Lessee waive all rights to trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matters arising out of this Lease or the use and occupancy of the Premises (except claims in unlawful detainer or for personal injury or property damage). If Lessor commences any summary proceeding for nonpayment of rent or other sums due under this Lease, Lessee will not interpose (and waives the right to interpose if any such right exists) any counterclaim in any such proceeding. Further, Lessor and Lessee hereby agree and consent that any dispute or controversy between them arising out of this Lease, except as otherwise provided in Article 6.9, above, and this paragraph (b) of this Article 17.8, shall be heard by a referee ordered by a court of competent jurisdiction pursuant to Section 638, et seq. of the Code of Civil Procedure of the State of California and the venue for all such proceedings shall be in the County of Ventura, State of California.

### 17.9 Rights of Subtenant.

Any Subtenant shall have the right, at its election, to cure a curable default under this Lease. If any such Subtenant cures all defaults then existing which are capable of being cured, Subtenant's possession and use shall not be disturbed by Lessor as long as (a) Subtenant performs in accordance with the terms of its sublease, and (b) Subtenant attorns to Lessor.

### 17.10 No Lessee Rights After Termination.

Should Lessor exercise rights available to it by law, specifically granted to it under this Article 17 or reserved or granted to it elsewhere under this Lease, to terminate this Lease and all of Lessee's rights and interest in and to this Lease, the Premises, or the improvements on the Premises, such termination shall be without compensation to Lessee for any remaining value of this Lease or the leasehold improvements now existing or hereafter constructed on the Premises by or under the authority of Lessee, and title to such improvements will automatically revert to Lessor as provided in Article 12.2, above. Lessee shall execute such documents as may be necessary to effectuate the transfer of title to the improvements and hereby appoints Lessor as its attorney-in-fact to execute such documents on Lessee's behalf.

18. [reserved]

19. **Appreciation Rent.**

### 19.1 Payable Upon Refinancing.

## EXHIBIT C

In the event Lessee refinances the debt structure secured by this Lease pursuant to Article 14.3 above, and in addition to all other sums payable by Lessee to Lessor under this Lease, Lessee shall pay Lessor a non-refundable amount equal to eighteen (18%) of the Excess Proceeds derived from the refinancing as Appreciation Rent. Said Appreciation Rent shall be paid upon the close of escrow or escrows established in connection with said refinancing.

**19.2 Payable Upon Assignment.**

In the event Lessee assigns its interest in this Lease pursuant to Article 16.1, above, and in addition to all other sums payable by Lessee to Lessor under this Lease, Lessee shall pay Lessor as Appreciation Rent a non-refundable amount equal to four percent (4%) of the Gross Price paid by the assignee to or for the benefit of Lessee as consideration for said assignment, without deduction or offset. Said Appreciation Rent shall be paid upon the close of escrow or escrows established in connection with said assignment.

**20. Condemnation.****20.1 Termination on Total Taking.**

If title to all of the Premises is taken for any public or quasi-public use under any statute, or by right of eminent domain, by any duly empowered public entity, including Lessor, then this Lease shall terminate on the date that possession of the Premises is taken.

**20.2 Termination on Partial Taking.**

If title to so much of the Premises is taken for any public or quasi-public use under any statute or by right of eminent domain by any duly empowered public entity, including Lessor, such that it is economically infeasible for Lessee to use and operate the remaining portion of the Premises for the purposes contemplated by this Lease, Lessee may, at its option, terminate this Lease as of the date that possession of such part of the Premises is taken, provided Lessee shall give written notice to Lessor of its intention, within thirty (30) calendar days following the date that possession of such part of the Premises is taken.

**20.3 Adjustment of Rent on Partial Taking.**

If any part of the Premises shall be so taken and this Lease is not terminated pursuant to the provisions of Articles 20.1 or 20.2, above, then this Lease shall, as to the part so taken, terminate as of the date that possession of such part is taken, and the minimum annual rent payable hereunder shall be abated in the proportion which the percentage rent applicable to the portion of the Premises so taken, payable hereunder for the full twelve (12) month period immediately preceding the month in which such part of the Premises is taken, bears to the total percentage rent payable hereunder for said twelve (12) month period. Pursuant to Article 10.1, above, Lessee shall make all necessary repairs or alterations to the buildings and improvements on that portion of the Premises not taken which is reasonably suitable for Lessee's continued occupancy for the purposes and uses for which the Premises are leased, at its own expense and



## EXHIBIT C

subject to Lessor's prior approval. Any plans, designs or specifications for such work shall be promptly submitted to Lessor for its review and approval prior to commencement of work by Lessee and Lessee shall secure, at its own expense, all permits and other approvals required for said work from the City, Lessor and any other agency or governmental authority with jurisdiction over said work, including all actions, studies, assessments and reports that may be required in order to comply with all requirements of CEQA and the California Coastal Act. Further in the carrying out of all such work, Lessee shall comply with and abide by all laws, ordinances, rules and regulations applicable thereto.

#### **20.4 Allocation of Award.**

Lessor shall be entitled to receive and shall receive all compensation for the condemnation of all or any portion of the Premises by exercise of eminent domain except as hereinafter provided. Lessee shall be entitled to that portion of said compensation which is granted for the loss of use of those improvements which Lessee constructed pursuant to this Lease for the remainder of the Lease Term, plus any amount specifically awarded for costs or losses Lessee may sustain or incur in the relocation or removal of Lessee's trade fixtures. The amount allocated to Lessee for the loss of use of improvements as above provided shall not exceed the actual cost of improvements constructed by Lessee, reduced in the percentage that the proportion of the expired Lease Term bears to the original Lease Term.

#### **20.5 Proration of Rent and Repayment of Security Deposit.**

If this Lease is terminated pursuant to this Article 20, the rent and all other obligations of Lessee hereunder shall be prorated to the date of termination. If Lessee has paid, performed and observed all of Lessee's covenants and obligations hereunder, Lessor shall repay to Lessee the security deposit under Article 9.1 and any refundable rent, fees and other refundable payments hereunder paid by Lessee for any period beyond the date of termination.

### **21. Destruction**

#### **21.1 Destruction by Non-Insurable Peril.**

In the event of the destruction, whether total or partial, of any building, structure or other improvement on the Premises, which destruction results from a peril for which Lessee is not required to secure and maintain insurance under the provisions of Article 15, above, and against which Lessee has no insurance in effect at the time of such destruction, hereafter referred to as a "non-insurable peril," Lessee shall be under no obligation to repair, construct, reconstruct or restore said building, structure or other improvement.

#### **21.2 Destruction of Lessor Owned, Controlled or Maintained Improvement.**

In the event of the destruction of a Lessor owned, controlled or maintained improvement or facility, of which the Premises or improvements on the Premises are a part, and which results in the destruction of the Premises, or all or a portion of any building, structure or other improvement on the Premises, Lessor shall be under no obligation to repair, construct, reconstruct, rebuild, or restore its improvement or facility. If Lessor elects not to rebuild or

## EXHIBIT C

restore its improvements, then, for purposes of this Article 21, the destruction applicable to the Premises shall be deemed to have been caused by a non-insurable peril. Conversely, if Lessor elects to rebuild or restore its improvements and gives written notice of its intention to do so pursuant to Article 33, below, within ninety (90) calendar days from the date of such destruction and, further, provided that the destruction applicable to the Premises was as a result of a peril for which Lessee has insurance or for which Lessee is required to secure and maintain insurance under Article 15, above, then the destruction as to the Premises, whether total or partial, shall be deemed to be by an insurable peril subject to Article 21.6, below.

**21.3 Termination or Destruction by Non-Insurable Peril.**

In the event the Premises are destroyed as a result of a non-insurable peril to such an extent that it is economically infeasible for Lessee to operate and use the remaining portion of the Premises for the purposes contemplated by this Lease, Lessee may, at its option, terminate this Lease as of the date of such destruction, upon Lessee giving written notice to Lessor of its intention pursuant to Article 33, below. Such notice must be given, if at all, within fifteen (15) calendar days following the date on which such destruction occurs.

**21.4 Proration of Rent and Repayment of Security Deposit on Termination.**

If this Lease is terminated pursuant to the provisions of Article 21.3 above, the rent and all other obligations of Lessee hereunder shall be prorated to the date of termination. If Lessee has paid, performed and observed all of Lessee's covenants and obligations hereunder, Lessor shall repay to Lessee any refundable rent and other refundable payments to Lessor hereunder paid by Lessee for any period beyond the date of termination.

**21.5 Adjustment of Rent Upon Less Than Total Destruction by Non-Insurable Peril.**

If any part of the Premises shall be destroyed by a non-insurable peril and this Lease is not terminated pursuant to this Article 21, then this Lease shall, as to the part so destroyed, terminate as of the date of such destruction and the minimum annual rent payable hereunder shall be abated in the proportion which the percentage rent applicable to the portion of the Premises so destroyed, payable hereunder for the full twelve (12) month period immediately preceding the month in which such destruction occurs, bears to the total percentage rent payable hereunder for such twelve (12) month period immediately preceding the month in which such destruction occurs. In such event, Lessee shall, at its own expense, promptly make all necessary repairs or alterations to its buildings or improvements not destroyed which are reasonably suitable for Lessee's continued occupancy for the purposes and uses for which the Premises are leased, and, in so doing, shall comply with all applicable laws, rules, regulations and procedures, and shall obtain all necessary permits and governmental approvals.

**21.6 Destruction by Insurable Peril.**

Subject to Article 21.7, below, in the event of the destruction, whether total or partial, of any building, structure or improvements on the Premises as a result of a peril for which Lessee has insurance or for which Lessee is required to secure and maintain insurance under Article 15,



## EXHIBIT C

above, Lessee, within thirty (30) calendar days from the date of such destruction, or within thirty (30) calendar days from the date Lessor substantially completes its restoration or rebuilding work if the provisions of Article 21.2 are applicable to the destruction, shall commence the repair, construction, reconstruction or restoration of said building, structure or other improvement and shall prosecute the same diligently to completion. Said repair, construction, reconstruction or restoration shall be completed in accordance with plans prepared by Lessee and submitted to and approved by the City and Lessor pursuant to procedures set forth in Article 8.2, above, and for which Lessee shall have obtained all necessary permits and governmental approvals. Any such destruction, whether total or partial, shall in no way annul or void this Lease, except that Lessee may be entitled to a reduction of the monthly payments of minimum annual rent from the date of such destruction and continuing to the completion of such repair, construction, reconstruction or restoration, not to exceed thirty-six (36) months. Such reduction shall be based upon the extent to which the making of such repair, construction, reconstruction or restoration shall interfere with the business conducted by Lessee on the Premises. Lessor shall determine the amount of the rent reduction, if any, in its sole discretion, taking into account all rent insurance benefits connected with the Premises and payable to the Parties. In the event the rent insurance required under Article 15.4(b), above, is not in effect at the time of such destruction for any reason whatsoever, Lessee shall not be entitled to any rent reduction under this Article 21.6.

#### **21.7 Lessor's Reversionary Option.**

In the event of a total destruction of the Premises, or a partial destruction of the Premises or any improvements thereon to the extent that it is economically infeasible for Lessee to continue to operate and use the remaining portion of the Premises pursuant to this Lease, which occurs within the final thirty-six (36) months of the Lease Term, within sixty (60) calendar days from the date of such destruction, Lessor may declare a reversion of the leasehold by delivering written notice thereof to Lessee pursuant to Article 33, below. Should a reversion be declared pursuant to the preceding sentence, Lessor shall be entitled to the immediate possession and control of the entire Premises, subject to Lessee's right to remove its trade fixtures pursuant to Article 12.2, above. Further, this Lease shall cancel and terminate upon transfer of possession or entitlement to possession of the Premises to Lessor and the Parties agree that all insurance proceeds payable to either Party arising out of or connected with the destruction shall belong to and be the property and entitlement of Lessor. Lessee shall thereafter be excused from any further performance under this Lease except for cooperating with and assisting Lessor in taking such action as may be necessary or appropriate to obtain prompt and timely payment of the insurance proceeds due as a result of the destruction.

#### **21.8 Controlling Agreement.**

This Lease shall be considered an express agreement governing any case of damage to or destruction of buildings, structures or improvements on the Premises by fire or other casualty, and any law which purports to govern the rights of Lessor and Lessee in such a contingency in the absence of express agreement, and any successor or other law of like import, shall have no application.

## EXHIBIT C

**22. Abandonment.**

Lessee shall not abandon the Premises at any time during the Lease Term. If Lessee abandons the Premises or is dispossessed by process of law or otherwise, any personal property, including trade fixtures, belonging to Lessee and left on the Premises, or in any building, structure, or other improvements previously existing or made by Lessee on the Premises, shall, at the option of Lessor, be deemed to have been abandoned within the meaning of the California Civil Code and Code of Civil Procedure and, in addition to all rights and remedies allowed by law, Lessor shall have the right to recover from Lessee all costs and expenses incurred and paid by Lessor in disposing of such property, including attorneys' fees.

**23. Waiver of Breach.**

No waiver of any default by Lessor shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit or privilege voluntarily given or performed by Lessor shall give Lessee any contractual right by custom, estoppel or otherwise. The subsequent acceptance of rent or any other payment pursuant to this Lease shall not constitute a waiver of any preceding default by Lessee other than the default in the payment of the particular rent or other payment so accepted, regardless of Lessor's knowledge of the preceding breach at the time of accepting said payment. Nor shall the acceptance of rent or any other payment due hereunder after termination constitute a reinstatement, extension or renewal of this Lease or revocation of any notice or other act by Lessor, except as expressly agreed to in writing by Lessor.

**24. Compliance with the Law.****24.1 Rules, Statutes and Ordinances.**

Lessee and all of its Subtenants shall, in all activities on or in connection with the Premises and in all uses thereof, including the making of any improvements, alterations or changes and the installation of any equipment, abide by and conform to all rules and regulations prescribed by Lessor, any ordinances of Lessor, City, and Coastal Commission, any general rules and policies of Lessor, and any applicable federal or state statutes or municipal laws now in force or which may hereafter be in force. Further, in the event a violation of any such rule, policy, regulation, ordinance, statute or other law is attributable to actions or conduct of any Subtenant of Lessee, Lessee shall not be deemed to be in default under this Lease so long as Lessee acts with diligence to obtain compliance or, if unable to do so, promptly takes steps necessary to evict or remove such Subtenant.

**24.2 Judicial Decrees.**

The final judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding, including arbitrations or administrative proceedings to which Lessee is a party, whether Lessor is a party thereto or not, that Lessee has violated such rules, policies and regulations, ordinance, statute, or other law in the use or occupancy of the Premises, shall be conclusive of the fact as between Lessor and Lessee.

## EXHIBIT C

**25. Operating Hours and Operating Procedures.****25.1 Continuous Operation.**

Lessee and its Subtenants shall continuously conduct business operations on the Premises and shall keep the Premises open for business and cause such businesses to be conducted thereon during usual business hours of each business day that is customary for businesses of like character along the Pacific Coast of the western United States, but, in no event, shall such business operations be less than eight (8) hours per day, six (6) days per week. All businesses conducted on the Premises shall maintain adequate stocks of merchandise and shall employ sufficient personnel on the Premises to operate all businesses in accordance with sound business practices.

**25.2 Public Purpose.**

In implementing this Article 25, the General Manager shall give primary consideration to the public purposes for which Ventura Harbor was established and is maintained.

**25.3 Operating Rules.**

Lessee agrees that it will operate and manage the services and facilities offered on and from the Premises in a competent and efficient manner at least comparable to other well-managed First-Class operations of similar type. Lessee shall at all times retain active, qualified, competent and experienced personnel to supervise Lessee's operation and to represent and act for Lessee. Lessee shall further require its attendants and employees to be properly dressed, clean, courteous, efficient and neat in appearance at all times. Lessee shall not employ any person(s) in or about the Premises who shall use offensive language or act in a loud, boisterous or otherwise improper manner. Lessee shall maintain a close check over attendants and employees to insure the maintenance of a high standard of service to the public and shall replace any employee whose conduct is detrimental to the best interests of the public.

**26. [reserved]****27. Controlled Prices.**

Lessee shall at all times maintain a schedule of the prices charged for the use by the public of the facilities on the Premises, whether the same are supplied by Lessee or by its Subtenants, and shall make said schedule available to the General Manager of Lessor, or its designated representative. Said prices shall be fair and reasonable, based upon the following considerations:

(a) The Premises are intended to serve a public use and to provide needed facilities to the public at fair and reasonable cost.

(b) Lessee is entitled to a fair and reasonable return upon its investment pursuant to this Lease.

(c) Consistent with (a) and (b) above, Lessee shall utilize its most diligent and best efforts to maximize revenues from the Premises for the mutual benefit of both Lessor

## EXHIBIT C

and Lessee.

**28. Taxes.**

Lessee shall pay or cause to be paid before delinquency all taxes, assessments or fees levied, assessed or charged upon Lessee or the Premises including those levied, assessed or charged by reason of any buildings, structures, equipment, appliances or other improvements of any nature whatever erected, installed, or maintained by Lessee or its Subtenants, or by reason of the business or other activities of Lessee or its Subtenants upon or in connection with the Premises, including possessory interest taxes. Lessee shall further pay or cause to be paid any fees imposed by law for licenses or permits for any business or activity of Lessee or its Subtenants upon or in connection with the Premises or under this Lease. Lessor states and Lessee acknowledges that the interest created in favor of Lessee under this Lease may be a possessory interest subject to taxation under the California Revenue and Taxation Code.

**29. Waste.**

Lessee shall not commit, or suffer to be committed, any waste or nuisance upon the Premises.

**30. Holding Over.**

This Lease shall terminate without further notice at the expiration of the Lease Term. Any holding over after the expiration of the Lease Term, or extension thereof, without the prior written consent of Lessor, shall be construed to be a tenancy from month to month, at a monthly rental equal to three (3) times the monthly payment of the minimum annual rent then in effect at the expiration of this Lease plus percentage rent, and shall otherwise be on the terms and conditions herein specified, so far as applicable. Such holding over shall include any time employed by Lessee in the removal of trade fixtures as provided in Article 12.2 for such removal. Any holding over by Lessee after expiration of the Lease Term shall not constitute a renewal or extension of this Lease or give Lessee rights in or to the Premises, except as otherwise expressly provided in this Lease.

**31. Non-Discrimination.**

Lessee shall not discriminate against any person or class of persons by reason of sex, race, color, religion, creed, national origin, ancestry, age, disability, physical handicap, sexual orientation, medical condition or marital status. Lessee shall make its accommodations, services and facilities available to the public on fair and reasonable terms.

**32. Coastal Permits.**

Upon surrender, expiration or termination of this Lease, Lessee shall assign to Lessor all of Lessee's right and interest in and to any coastal permits issued in connection with the Premises and shall execute any and all documents required by Lessor or any other governmental entity to complete said assignment at Lessor's expense upon Lease expiration and a Lessee's expense in the event of early termination.

## EXHIBIT C

33. **Notices.**

(a) Any and all notices or demands by or from Lessor to Lessee, or Lessee to Lessor, shall be in writing. They shall be served either personally or by certified United States mail. If personally, service shall be conclusively deemed made at the time of service. If served by certified mail, service shall be conclusively deemed made seventy-two (72) hours after the deposit thereof in the United States mail, postage prepaid, addressed to the Party to whom such notice or demand is to be given. Written notices shall be addressed as follows:

To Lessor:

Ventura Port District  
Attn: General Manager  
1603 Anchors Way Drive  
Ventura, California 93001-4229

To Lessee:

Derecktor Marine Holdings, LLC.  
4 Calder Drive  
Warren, Rhode Island 02885

(b) Any notice or demand given to Lessee by Lessor may also be given contemporaneously to any encumbrance holder of Lessee at such addresses as Lessee shall specify to Lessor in writing at the date of the execution of this Lease. All addresses provided herein may be changed by written notice given in the manner provided herein.

34. **Reservations to Lessor.**

(a) The Premises are accepted by Lessee subject to any and all existing easements, encumbrances, trusts, covenants and restrictions of record. Lessor reserves the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes and connections; water pipelines; telephone, fiberoptic, digital, cable television and power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across and along the Premises or any part thereof, and to enter the Premises for any and all such purposes. Lessor also reserves the right to grant franchises, easements, rights of way and permits in, over, upon, through, across and along any and all portions of the Premises, including all rights to air space above the Premises. Lessee acknowledges and agrees that Lessor shall have no obligation to compensate Lessee for any such grant of rights done out of necessity or at the request or demand of any duly empowered public entity for public or quasi-public use.

(b) If Lessor grants rights to third parties by reason of this clause, and such grant is made at the discretion of Lessor and not out of necessity or at the request or demand of any duly empowered public entity for public or quasi-public use, Lessor agrees to include provisions that require the surface to be restored as nearly as practicable to its original condition upon the completion of any construction.

(c) Lessor reserves to itself, for the benefit of the public, an easement over any walkways, bikeways, roadways, waterways, parking areas and other portions of the

## EXHIBIT C

Premises which must be open and accessible to the public in order to facilitate and promote the public's use and patronage of the Premises and Ventura Harbor.

35. **Successors.**

Subject to the provisions herein relating to assignment and subletting, each and all of the terms, conditions, and agreements herein contained shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of any and all of the Parties; and all of the Parties shall be jointly and severally liable hereunder.

36. **Captions.**

The titles or headings to the Articles of this Lease and Table of Contents of this Lease are not a part of this Lease, and shall have no effect upon the construction or interpretation of any part hereof.

37. **Time.**

Time is of the essence of this Lease.

38. **Gender and Number.**

With respect to all words used herein, the masculine, feminine or neuter gender, and the singular or plural number shall each be deemed to include the others whenever the context so indicates.

39. **Savings Clause.**

If any provision or provisions of this Lease is, or is hereafter adjudged to be, for any reason, invalid or unenforceable, the remaining provisions of this Lease shall continue to exist and remain in full force and effect.

40. **Recordation of Memorandum of Lease.**

This Lease need not be recorded. A Memorandum of Lease may be recorded in lieu of the recordation of the entire Lease. In the event the Lease is not recorded, the Parties agree to execute a Memorandum of Lease in the form attached hereto as Exhibit "G," or as the Parties may otherwise agree, which may be recorded at any time during the Lease Term by Lessor.

41. **Estoppel Certificate.**

Within fourteen (14) calendar days after notice from Lessor, Lessee agrees to execute and deliver to Lessor a certificate addressed to such person as Lessor shall specify stating that this Lease is in full force and effect. The certificate shall also include any modifications by Lessee, if any, to this Lease, a statement regarding all other agreements between Lessor and Lessee, and a statement as to whether Lessee claims any default or breach of this Lease on the part of Lessor. The certificate shall also state the amount of minimum annual rent then in effect, the dates to



## EXHIBIT C

which the monthly payments of minimum annual rent and percentage rent have been paid, the amount of any security deposits or prepaid rent paid to Lessor, and the fact that percentage rent payments are subject to audit under Article 6.7, above. If Lessee fails to deliver the certificate within fourteen (14) calendar days, it shall be conclusively presumed for the benefit of Lessor that this Lease is in full force and effect and has not been modified except as may be represented by Lessor, and Lessee shall be deemed to have waived any breach or default of Lessor.

**42. Amendments.**

This Lease sets forth all of the agreements and understandings of the Parties and supersedes any and all prior agreements between the Parties concerning the Premises. Any amendments must be written and signed by the Parties and Lessor reserves the right to require that Lessee reimburse Lessor for all costs and expenses incurred in connection with the processing of any amendment to this Lease, including any professional consultant and legal fees.

**43. Execution in Counterparts.**

This Lease may be executed in two (2) or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**44. Interpretation.**

This Lease has been prepared by Lessor and its professional advisors and reviewed by Lessee and its professional advisors. The Parties and their advisors believe this Lease is the product of all of their efforts, that it expresses their agreements and that it should not be interpreted in favor of either Lessor or Lessee merely because of their efforts in preparing it. The laws of the State of California shall govern the validity, interpretation, performance and enforcement of this Lease.

**45. [reserved]**

**46. Payments as Additional Rent.**

All fees, payments, assessments, charges, damages and other sums payable to Lessor by Lessee under this Lease, including any interest due or accruable thereon, shall be deemed to be additional rent due and payable to Lessor hereunder. The failure to make payment of any such sum when due shall be a default under paragraph (a) of Article 17.1, above, in addition to being a breach of the provision of this Lease wherein the obligation to make said payment is specified. Upon such breach or default, Lessor shall have available to it all rights and remedies provided by law and under this Lease, including the right to terminate this Lease after a cure period of thirty (30) days.

**47. No Broker.**

Lessor and Lessee represent that they have not dealt with or through a broker or other agent with respect to the negotiation and execution of this Lease, and that neither Party is aware

## EXHIBIT C

of any such person or entity who claims or is entitled to a finder's fee or commission arising out of this Lease. Each Party agrees to defend and indemnify the other Party against claims by a broker or other agent seeking to recover a finder's fee or commission or other type of relief based on commitment, statement or representations of such party or alleged agreements with such party.

48. **Authority.**

If Lessee is a corporation, limited liability company or a partnership, those persons executing this Lease for and on behalf of Lessee represent that they have been authorized and directed to execute this Lease for and on behalf of such corporation, company or partnership.

IN WITNESS WHEREOF, the Parties to this Lease have caused this Lease to be executed by their authorized agents, effective as specified in Article 1, above.

**LESSOR**

VENTURA PORT DISTRICT,  
a California Port District

By \_\_\_\_\_  
Chairman

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

**LESSEE**

DERECKTOR MARINE HOLDINGS, INC.

By \_\_\_\_\_

Its \_\_\_\_\_



## EXHIBIT C

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA                     )  
   ) ss.  
 COUNTY OF VENTURA                    )

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_,  
 Notary Public, personally appeared \_\_\_\_\_,  
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
 subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
 foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
 Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA                     )  
   ) ss.  
 COUNTY OF VENTURA                    )

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_,  
 Notary Public, personally appeared \_\_\_\_\_,  
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
 subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the  
 foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
 Notary Public

## EXHIBIT C

## EXHIBIT "A"

DEFINITIONS

The initial capitalized word(s) or term(s) used but not defined in the Lease shall, unless the context otherwise requires, have the meaning and definitions indicated below:

1. **Control or Controlled:** the possession, whether direct or indirect, of the power to direct or cause the direction of the management and policies of the controlled person or entity. The ownership, directly or indirectly, of at least twenty-five percent (25%) of the voting or ownership interests of, or the possession of the right to vote or direct the vote of at least twenty-five percent (25%) of the voting interest in, any person or entity shall be presumed to constitute Control.
2. **Deductible Expenses:** customary and usual expenses, in reasonable amounts, actually paid by Lessee to third parties (other than persons or entities which Control Lessee or are Controlled by Lessee) in connection with an or financing or assignment under Articles 14 and 16 of this Lease, including without limitation real estate sales or mortgage brokerage commissions, legal fees, title insurance and survey fees, escrow fees, transfer and recording taxes and fees, loan commitment fees, points or prepayment penalties; provided, however, that with respect to any given sale, assignment or financing, Deductible Expenses shall not exceed ten percent (10%) of the Gross Price or Excess Proceeds generated by such sale or financing.
3. **Excess Proceeds:** with respect to any financing pursuant to Articles 14 of this Lease, an amount equal to the total loan proceeds, less the sum of:
  - (a) Deductible Expenses related to the financing;
  - (b) That portion of the loan proceeds to be used for payment of Total Project Cost of any capital improvements on or modernization of the Premises pursuant to Articles 8.1, 8.2 or 10.2 of this Lease;
  - (c) The outstanding amount of all encumbrances previously approved by Lessor pursuant to Article 14 of this Lease; and
  - (d) That portion of the loan proceeds (up to a maximum of 25% of the total loan proceeds) used for the payment for other real property, equipment, or other property located or used in the City that directly and demonstrably relates to and benefits the Premises or Ventura Harbor.
4. **Fair Market Value:** the highest price estimated in terms of money which the buildings, structures, installations, and other improvements constructed by Lessee would bring if offered for sale in the open market, under the conditions prevailing as of the date of valuation, with a reasonable time allowed in which to find a purchaser or purchasers buying with knowledge of all the uses and purposes to which the buildings, structures, installations, and other

## EXHIBIT C

improvements are adaptable and for which they are available, the seller being willing to sell, but under no particular or urgent necessity for so doing, nor obligated to sell, and the buyer being ready, willing and able to buy, but under no particular or urgent necessity for so doing. This definition of Fair Market Value presupposes that both parties are familiar with the buildings, structures, installations, and other improvements and their adaptability and uses on the Premises.

5. **First-Class:** a condition of the improvements, facilities and amenities on the Premises such that they would be regarded as being of the highest quality and most superior grade or kind, displaying no signs of deterioration or excessive wear and tear, free from any defects or maintenance deficiencies and of most pleasing appearance to the public and to the patrons and invitees making use of and being accommodated by the improvements, facilities and amenities.

6. **Gross Revenue:**

(a) all revenue generated from the Premises, or from activities conducted on or connected with the Premises, including, but not limited to:

i) The sale or lease price, before any trade-in allowance, of all goods, wares, merchandise or products sold or leased on or from the Premises, whether sold or leased by Lessee or its Subtenants, or whether for cash or on credit.

ii) All charges made by Lessee or its Subtenants for the sale, occupancy, rent, lease or other rendition on or from the Premises of services of any nature or kind whatsoever, whether for cash or on credit.

iii) All rent, admission, entry and other fees and charges relating to use or activity on the Premises of any nature or kind charged to others by Lessee or its Subtenants, or charged by Lessee to its Subtenants, except percentage rent paid to Lessee by its Subtenants.

iv) All revenue and other income of Lessee and its Subtenants from any operations in, at, upon, from or related to the Premises which are neither included in nor excluded from Gross Revenue by other provisions of this Lease.

v) All non-refundable and forfeited deposits received by Lessee or its Subtenants in connection with any transaction or activity conducted on, at, upon, from or in connection with the Premises.

vi) Any amount received as proceeds under any rent insurance policy with respect to the Premises required to be maintained under Article 15.4(b) of this Lease.

vii) All charges, revenue, income or receipts of Lessee or its Subtenants based on orders taken on, from, or related to the Premises to be filled or paid for elsewhere, or vice versa, whether for cash or credit.

## EXHIBIT C

viii) All rentals and other fees or charges of any kind or nature, including common area charges and pass-throughs of percentage rent charged by Lessee to its Subtenants when the activities of such Subtenants do not generate Gross Revenue.

ix) The fair market value of all consideration passing to Lessee from its Subtenants other than rent from its Subtenants based on sales or volume of business.

x) The fair rent value of facilities used by Lessee or its Subtenants for purposes other than the business purposes for which the Premises are leased, except for promotional or other similar uses consistent with standards of the industry.

xi) Gross receipts from coin-operated or other vending devices on the Premises, including telephones, video games, etc.

xii) All sums received as compensation for or in settlement of any claims for loss of use of Premises or business disruption.

(b) For purposes of this definition of Gross Revenue, any transaction, sale, charge, fee, deposit or amount received based upon a credit transaction or installment payments shall be treated as a transaction for the full price in the month and year in which that transaction or sale is made, irrespective of whether or not payment is made during that month or within that year, and regardless of whether payment is actually made or not.

(c) The following sums or amounts shall be excluded from Gross Revenue or subtracted therefrom, if previously included:

(i) All sums collected and paid out for sales taxes, luxury taxes, excise taxes, and similar taxes required by law to be added to the total sales price, whether now or hereafter in force, levied by any governmental agency to be collected from consumers and paid by Lessee or its Subtenants.

(ii) Merchandise transferred or exchanged between other stores or warehouses owned by or affiliated with Lessee or its Subtenants if those transfers or exchanges are made solely for convenient operation of such business and not for the purpose of consummating a sale previously made on or from the Premises or for the purpose of depriving Lessor of the benefit of a sale that otherwise would be made on or from the Premises.

(iii) Merchandise returned to shippers or manufacturers.

## EXHIBIT C

(iv) All credits, cash refunds and refundable deposits made on any sale that took place on or from the Premises, provided the sales price was previously included in Gross Revenue.

(v) All cash or credit received in settlement of any claims for loss of or damage to merchandise or insurance proceeds received on account of damages to the Premises.

(vi) Bulk sales made by Lessee or its Subtenants not in the ordinary course of business.

(vii) Any income, revenue or receipts that, under generally accepted accounting principles, are derived from the sale or disposal of any capital assets, or from the retirement of any indebtedness, or from the investment by Lessee or its Subtenants of any funds not invested in (1) the Premises or (2) the operation of Lessee's business or the business of any of its Subtenants within the Premises.

(viii) That portion of the Gross Revenue of all coin-operated devices that Lessee or its Subtenants must, by contract concerning them, turn over to a person, firm, or corporation in which Lessee or its Subtenants have no direct or indirect financial interest.

(ix) Any charges or monies received by Lessee from any of its Subtenants as and for rentals to be paid by such Subtenants to Lessee, except with respect to any such Subtenants who conduct no business activity resulting in Gross Revenue for which percentage rent is payable.

(x) The amounts of tips or gratuities included in credit charges made by Lessee or its Subtenants to customers of any permitted restaurant and bar.

(xi) Income of Lessee's Subtenants resulting from business activities not within a revenue source category specified on Exhibit "C" attached to this Lease, such as income from general office uses.

(xii) Any refundable deposits received by Lessee or its Subtenants provided, however, that in the event Lessee or its Subtenants become entitled to any or all of said deposits by reason of any act of the depositor, the amounts to which Lessee or its Subtenants become entitled shall be included in Gross Revenue.

Notwithstanding any provision of this definition to the contrary, Lessee shall not, for the purpose of accounting to Lessor pursuant to the terms and provisions of this Lease, deduct from Lessee's Gross Revenue the amount of any charge made by Lessee against its reserve for bad debts for amounts theretofore included in Gross Revenue, or sums paid to a credit card issuer by Lessee or its Subtenants on account of credit card sales.

## EXHIBIT C

8. **Gross Price:** any and all proceeds, credits, offsets, allowances or other consideration directly or indirectly received by or allowed to Lessee, or any person or entity with an equity interest or ownership in Lessee or Controlled by Lessee, or any other person or entity having any direct or indirect beneficial interest in Lessee, from or by any source in any way, manner or respect relating to any assignment under Article 16.1 of this Lease, including without limitation any indebtedness which is assumed by the transferee or to which the interest being transferred remains subject after the assignment (whether recourse or non-recourse), the proceeds of any purchase money financing provided by Lessee, any title insurance proceeds received by Lessee in respect of the Premises or Lessee's interest therein, and the fair market value of any real estate, right, option or other property or consideration of any nature whatsoever, given in exchange for any interest being transferred, all as determined by Lessor.

9. **Institutional Lender:** (i) a foreign or domestic savings and loan association, a savings bank, a commercial bank or trust company, an insurance company, a state, municipal or private employees' welfare, pension or retirement fund or system, an investment banking firm, real estate investment trust, college, university or other educational or eleemosynary institution, provided in each case that such entity is subject to or submits to service of process within the State of California and has, as of the date such Institutional Lender issues a commitment to make a loan secured by a mortgage encumbering all or any portion of the Premises, total assets of at least Five Hundred Million Dollars (\$500,000,000) and a net worth of at least Twenty Million Dollars (\$20,000,000), and which is determined to Lessor's reasonable satisfaction to generally make commercial loans; or (ii) any other lender approved by Lessor in connection with the subject financing with total assets of at least Two Hundred Million Dollars (\$200,000,000) and a net worth of at least Ten Million Dollars (\$10,000,000).

10. **Publicly Traded Corporation:** a corporation formed or qualified to do business in the State of California, the voting stock of which is available for purchase or sale by the public through the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotation System (NASDAQ) or American Stock Exchange (AMEX).

11. **Soft Costs:** all indirect costs, whether or not reimbursed to Lessee, in reasonable amounts paid by or on behalf of Lessee for construction and development of improvements on the Premises, or any portion thereof, pursuant to Article 8 of this Lease, which either: (a) (i) are not properly categorized as capital expenditures in accordance with generally accepted accounting principles, consistently applied, and (ii) either (yy) if Lessee has an Institutional Lender which has approved a construction budget for the particular construction, in writing, then such costs as are included under the heading of "Soft Costs" in such construction budget, or (zz) if there is no Institutional Lender or the Institutional Lender has not approved the construction budget, such costs as may be reasonably and customarily characterized as soft costs; or (b) Lessee otherwise demonstrates to Lessor's reasonable satisfaction would normally be considered to be "soft costs" for the construction (as used in this Subsection (b) of this definition, the term "construction" shall include, without limitation, demolition and removal of existing improvements, grading, site preparation and remodeling performed in connection with the development of the Premises pursuant to Article 8 of this Lease). Subject to the foregoing, Soft Costs shall include, without limitation, fees paid to attorneys, architects, engineers, accountants, consultants and other professionals, and salaries for employees at the construction site or

## EXHIBIT C

employed by Lessee solely to work on the construction or modernization of improvements on the Premises, or any portion thereof (but not including salaries of any employee of Lessee who works part-time on the construction of improvements on the Premises and part-time on other projects of Lessee, unless Lessee demonstrates to Lessor's reasonable satisfaction that the allocation of such employee's salary between the construction of improvements on the Premises, and such other projects, is reasonable). To the extent that any Soft Cost represents payment made to Lessee or any entity or person which Controls or is Controlled by Lessee, the amount of such payment must not exceed the amount which would have reasonably been paid to an unrelated third party in an arms' length transaction, with no Control relationship with Lessee. Soft Costs shall not include any cost or expense incurred by Lessee for or in connection with routine maintenance, repair or replacement of worn equipment (even if such equipment is upgraded in the process), or other upkeep or modernization of all or any portion of the Premises, or improvements thereon, which Lessee would have been likely to incur with or without the construction.

12. **Subtenant(s):** all agents, sublessees, concessionaires, contractors and licensees of Lessee doing or conducting business or other activities on the Premises under and pursuant to authority from Lessee.

13. **Total Project Cost:** the total of all unreimbursed or unreimbursable payments demonstrated by Lessee to Lessor's commercially reasonable satisfaction as having been incurred and paid by or for the account of Lessee in connection with the construction of any required or additional improvements approved by Lessor pursuant to Article 8 and Article 10 of this Lease, excluding Soft Costs.



## EXHIBIT C

## EXHIBIT "B"

LEGAL DESCRIPTION OF PREMISESLEGAL DESCRIPTION  
VENTURA PORT DISTRICT  
PARCEL 20

BEING A PORTION OF SUBDIVISION NO. 7 OF THE WEST ONE-HALF OF RANCHO SAN MIGUEL IN THE CITY OF SAN BUENAVENTURA, COUNTY OF VENTURA, STATE OF CALIFORNIA PER MAP RECORDED IN BOOK 5 PAGE 42 OF MISCELLANEOUS RECORDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

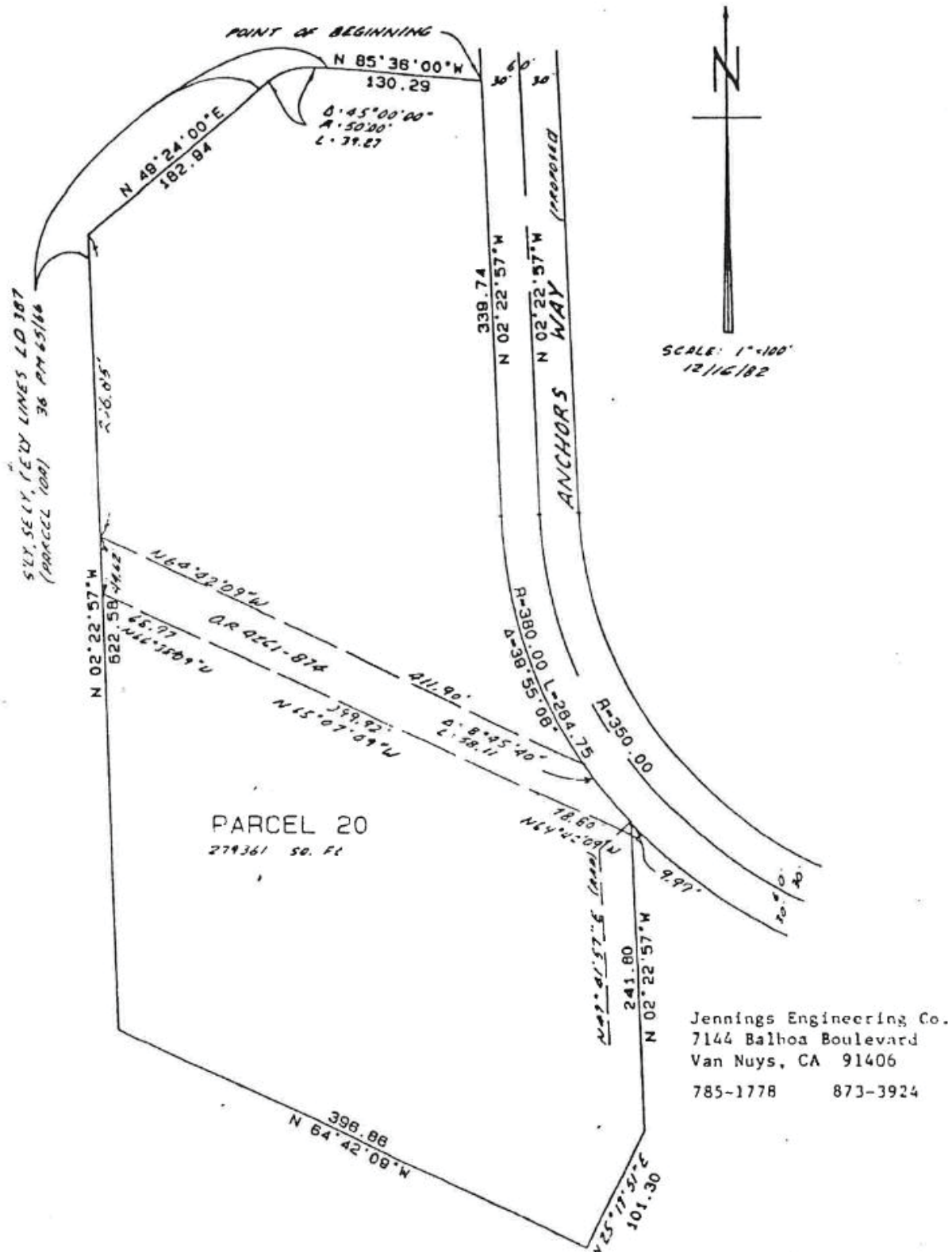
BEGINNING AT THE SOUTHEASTERLY CORNER OF PARCEL 10A, LD 387 PER MAP FILED IN BOOK 36 PAGES 65 AND 66 OF PARCEL MAPS, RECORDS OF SAID COUNTY; SAID CORNER BEING THE EASTERLY TERMINUS OF THAT CERTAIN LINE SHOWN AS "N.  $85^{\circ}36'00''$  W. 130.29' " ON SAID MAP LD 387; THENCE ALONG THE SOUTHERLY, SOUTHEASTERLY AND EASTERLY LINES OF SAID PARCEL 10A, LD 387, NORTH  $85^{\circ}36'00''$  WEST 130.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF  $45^{\circ}00'00''$ , THENCE SOUTHWESTERLY ALONG SAID CURVE 39.27 FEET; THENCE ALONG A TANGENT LINE SOUTH  $49^{\circ}24'00''$  WEST 182.94 FEET; THENCE SOUTH  $2^{\circ}22'57''$  EAST 622.58 FEET; THENCE LEAVING THE EASTERLY LINE OF SAID LD 387, SOUTH  $64^{\circ}42'09''$  EAST 396.86 FEET; THENCE NORTH  $25^{\circ}17'51''$  EAST 101.30 FEET; THENCE NORTH  $2^{\circ}22'57''$  WEST 241.80 FEET TO A POINT IN THE PROPOSED SOUTHWESTERLY LINE OF ANCHORS WAY 60 FEET WIDE SAID LINE BEING A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 380.00 FEET AND A CENTRAL ANGLE OF  $39^{\circ}55'06''$ , THENCE NORTHWESTERLY 264.75 FEET ALONG SAID CURVE; THENCE ALONG A TANGENT LINE NORTH  $2^{\circ}22'57''$  WEST 339.74 FEET TO THE POINT OF BEGINNING.

AREA: 279361 S.F.

6.4132 ACRES



## EXHIBIT C



## EXHIBIT C

**LEGAL DESCRIPTION  
VENTURA PORT DISTRICT  
PARCEL 20 LICENSE AREAS**

**AREA 1 - SLIPS**

BEING A PORTION OF SUBDIVISION NO. 7 OF THE WEST ONE-HALF OF RANCHO SAN MIGUEL IN THE CITY OF SAN BUENAVENTURA, COUNTY OF VENTURA, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 5, PAGE 42 OF MISCELLANEOUS RECORDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS;

BEGINNING AT THE MOST EASTERLY CORNER OF PARCEL 10A, LD 387, PER MAP FILED IN BOOK 36, PAGES 65 AND 66 OF PARCEL MAPS, RECORDS OF SAID COUNTY, AT THE EASTERLY TERMINUS OF THAT CERTAIN LINE SHOWN ON SAID MAP LD 387 AS "NORTH  $85^{\circ}36'00''$  WEST, 130.29'"; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL 10A THE FOLLOWING FOUR (4) COURSES; NORTH  $85^{\circ}36'00''$  WEST, 130.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $45^{\circ}00'00''$  AN ARC LENGTH OF 39.27 FEET; THENCE TANGENT TO SAID CURVE SOUTH  $49^{\circ}24'00''$  WEST, 182.49 FEET; THENCE SOUTH  $2^{\circ}22'57''$  EAST, 622.58 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY SOUTH  $64^{\circ}42'09''$  EAST, 396.86 FEET; THENCE AT RIGHT ANGLES NORTH  $25^{\circ}17'51''$  EAST, 40.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING

1ST: NORTH  $25^{\circ}17'51''$  EAST, 61.30 FEET; THENCE

2ND: NORTH  $2^{\circ}22'57''$  WEST, 32.41 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT NORTHEASTERLY 130.00 FEET MEASURED AT RIGHT ANGLES FROM THAT COURSE DESCRIBED ABOVE AS HAVING A BEARING AND LENGTH OF SOUTH  $64^{\circ}42'09''$  EAST, 396.86 FEET; THENCE ALONG SAID PARALLEL LINE

3RD: SOUTH  $64^{\circ}42'09''$  EAST, 140.06 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHEASTERLY 125.00 FEET MEASURED AT RIGHT ANGLES FROM THE 1ST COURSE ABOVE DESCRIBED; THENCE ALONG SAID PARALLEL LINE

4TH: SOUTH  $25^{\circ}17'51''$  WEST, 90.00 FEET TO A LINE THAT BEARS SOUTH  $64^{\circ}42'09''$  EAST FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE

5TH: NORTH  $64^{\circ}42'09''$  WEST, 125.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED AREA 1 CONTAINS 11466 SQUARE FEET (0.2632 ACRES).

## EXHIBIT C

**AREA 2 - BAIT-RECEIVER**

BEING A PORTION OF SUBDIVISION NO. 7 OF THE WEST ONE-HALF OF RANCHO SAN MIGUEL IN THE CITY OF SAN BUENAVENTURA, COUNTY OF VENTURA, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 5, PAGE 42 OF MISCELLANEOUS RECORDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS;

BEGINNING AT THE MOST EASTERLY CORNER OF PARCEL 10A, LD 387, PER MAP FILED IN BOOK 36, PAGES 65 AND 66 OF PARCEL MAPS, RECORDS OF SAID COUNTY, AT THE EASTERLY TERMINUS OF THAT CERTAIN LINE SHOWN ON SAID MAP LD 387 AS "NORTH 85°36'00" WEST, 130.29'"; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL 10A THE FOLLOWING FOUR (4) COURSES; NORTH 85°36'00" WEST, 130.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 45°00'00" AN ARC LENGTH OF 39.27 FEET; THENCE TANGENT TO SAID CURVE SOUTH 49°24'00" WEST, 182.49 FEET; THENCE SOUTH 2°22'57" EAST, 622.58 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY SOUTH 64°42'09" EAST, 157.36 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING

1ST: SOUTH 64°42'09" EAST, 25.00 FEET; THENCE AT RIGHT ANGLES

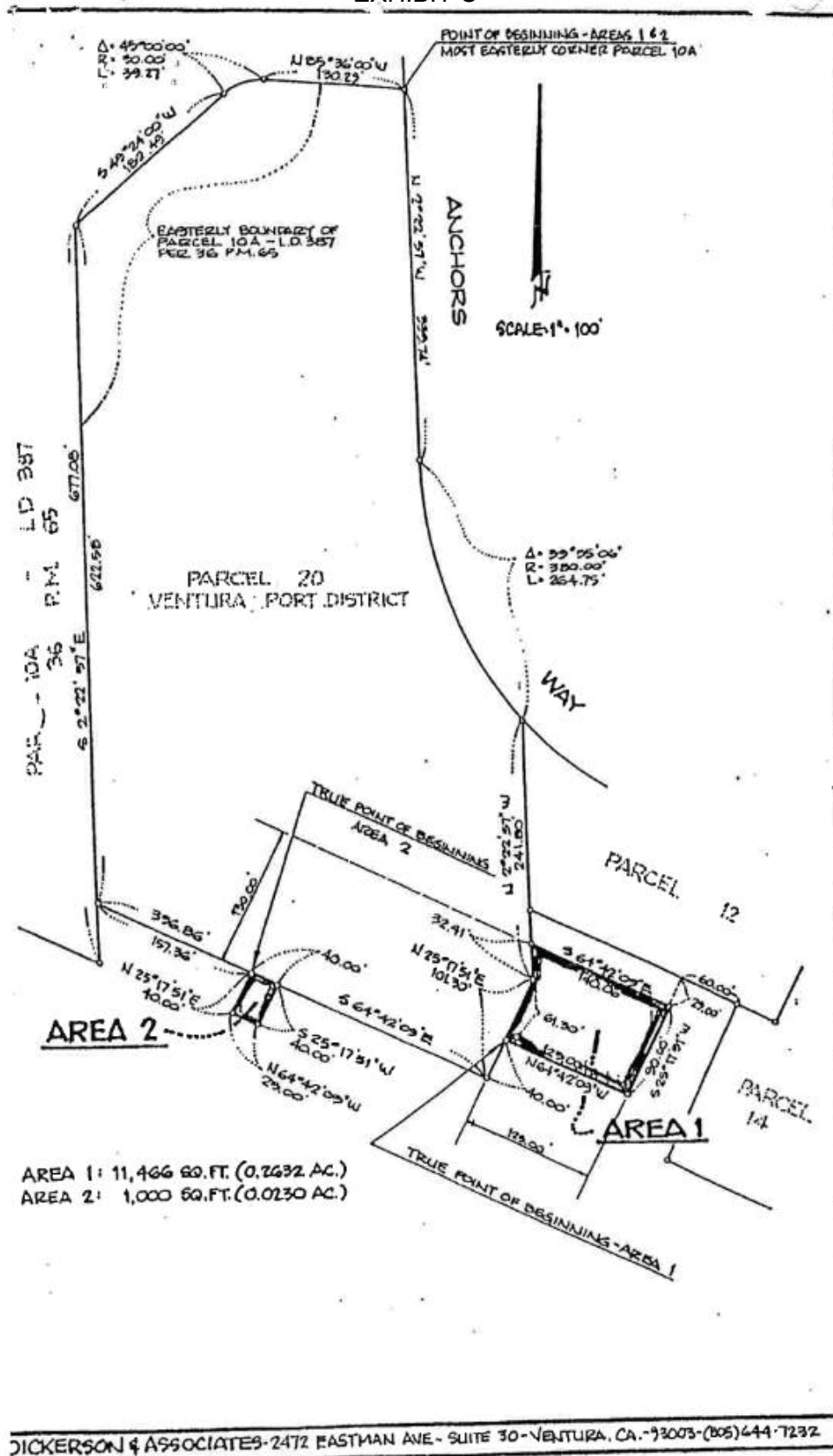
2ND: SOUTH 25°17'51" WEST, 40.00 FEET; THENCE AT RIGHT ANGLES

3RD: NORTH 64°42'09" WEST, 25.00 FEET; THENCE AT RIGHT ANGLES

4TH: NORTH 25°17'51" EAST, 40.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED AREA 2 CONTAINS 1000 SQUARE FEET (0.0230 ACRES).

## EXHIBIT C



Lessor's Initials

Lessee's Initials



## EXHIBIT C

**EXHIBIT “C”**  
**PERCENTAGE RENT**

<b>Rate Category</b>	<b>Percentage Rent Rate</b>
Boat – Trailer Day Sail Rent	5.25%
Boat Brokerage	10%
Boat Club	5%
Boat Launching	10%
Boat Rentals	3%
Boat Repairs – Labor	5%
Boat Repairs – Materials	3.5%
Boat Sales – New	2%
Boat Sales – Used	1%
Boat Slips	22% <sup>1</sup>
Boat Storage – On Grade <sup>2</sup>	10%
Boat Storage – Stacked	5.25%
Chandlery (not retail)	3.5%
Charters/Sportfishing	6%
Dry Storage	10%
Equipment Rental	5%
Food & Beverage – Restaurant, Catering, and To-Go	3.5%
Fuel Sales – Diesel (in gallons)	\$0.030/gallon
Fuel Sales – Gas (in gallons)	\$0.018/gallon
Ice Machine	10%
Insurance Commissions	10%
Lube Oil Sales	5%
Office Rental	10%
Parking	25%
Retail Sales <sup>3</sup>	3%
Service Space Rental	5.25%
Vending Machines	10%
Loss of Use/Business Disruption <sup>4</sup>	6%

<sup>1</sup> Percentage rent for boat slips will be set at 15% for the first thirty-six (36) months immediately following completion of the new marina. Completion of the new marina shall be deemed to be the date of the first lease of the first newly constructed boat slip. After this thirty-six (36) month period, the percentage rent for boat slips will be set at 22%. Notwithstanding the foregoing, beginning on the one hundred twenty-first (121st) month of the Lease Term, percentage rent for boat slips will be set at 25% for the remainder of the Lease Term.

<sup>2</sup> “Boat Storage – On Grade” refers to any trailerable boat that is hauled and launched by the owner using a ramp (a.k.a. “Day Sail” boats).

<sup>3</sup> Retail Sales includes sale of: bait, tackle, and any other retail products not included in another rate category.

<sup>4</sup> To the extent any portion of monies received for loss of use or business disruption are attributed to the other categories enumerated in this Exhibit C – Percentage Rent schedule, Lessor shall receive the Percentage Rent Rate of such monies corresponding to such other category as provided above; provided, however, if no such attribution by the entity tendering such monies is made, the Percentage Rent Rate corresponding to Loss of Use/Business Disruption shall apply to such monies.

EXHIBIT C

\_\_\_\_\_  
Lessor’s Initials

\_\_\_\_\_  
Lessee’s Initials

EXHIBIT C

EXHIBIT “D”

PERMITTED USES

Marina  
Boat yard  
Boat construction  
Boat storage  
Boat brokerage/sales  
Marine fuel and oil sales  
Marine charters including sport fishing and parasailing  
Restaurant  
Retail sales  
Office rentals  
Parking  
Additional uses as identified in the percentage rent schedule on Exhibit “C”

---

Lessor’s Initials

---

Lessee’s Initials

EXHIBIT C

**EXHIBIT “E”**

**REQUIRED IMPROVEMENTS**

Lessee shall, at its own expense, construct the required improvements identified and as specified below:

Waterside and landside improvements substantially similar in scope and magnitude to the project approved by the Board and for which a Mitigated Negative Declaration was adopted via Resolution 3289 on November 18, 2015, with a minimum value of \$3,500,000 to be fully constructed with thirty-six (36) months of commencement of this Lease, and as approved by Lessor/Optionor pursuant to the Option to Lease.



EXHIBIT C

EXHIBIT "F"

QUITCLAIM DEED

Recording Requested By and  
When Recorded Mail To:

VENTURA PORT DISTRICT  
1603 Anchors Way Drive  
Ventura, California 93001-4229  
Attention: \_\_\_\_\_

QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, \_\_\_\_\_ ("LESSEE"), hereby remises, releases and forever quitclaims to the VENTURA PORT DISTRICT, a California Port District, all right, title and interest in and to those certain premises in the City of San Buenaventura, County of Ventura, State of California, described as follows:

That certain parcel of land (and water) in the City of San Buenaventura, County of Ventura, State of California, more particularly described as follows:

SEE LEGAL DESCRIPTION ATTACHED

to which LESSEE was granted rights by the VENTURA PORT DISTRICT under a Lease dated \_\_\_\_\_.

It is understood and agreed that this Quitclaim Deed is executed and delivered, and is to be held by the VENTURA PORT DISTRICT in accordance with the terms of said Lease and WILL BE RECORDED ONLY IN THE EVENT THAT LESSEE FAILS TO COMPLY WITH THE TERMS OF SAID LEASE AND THE VENTURA PORT DISTRICT TERMINATES THE RIGHTS OF THE LESSEE THEREUNDER. UPON RECORDING OF SAID QUITCLAIM DEED, ALL RIGHTS OF LESSEE UNDER THE LEASE SHALL TERMINATE AND SAID LEASE SHALL NO LONGER BE OF ANY FORCE OR EFFECT.

IN THE EVENT LESSEE COMPLIES WITH ALL OF THOSE TERMS, CONDITIONS, COVENANTS AND AGREEMENTS IN THE LEASE, VENTURA PORT DISTRICT SHALL FORTHWITH RETURN THIS QUITCLAIM DEED WITHOUT RECORDATION TO LESSEE.

DATED: \_\_\_\_\_

## EXHIBIT C

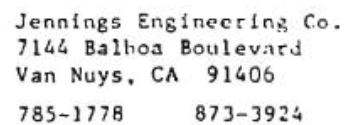
Legal DescriptionLEGAL DESCRIPTION  
VENTURA PORT DISTRICT  
PARCEL 20

BEING A PORTION OF SUBDIVISION NO. 7 OF THE WEST ONE-HALF OF RANCHO SAN MIGUEL IN THE CITY OF SAN BUENAVENTURA, COUNTY OF VENTURA, STATE OF CALIFORNIA PER MAP RECORDED IN BOOK 5 PAGE 42 OF MISCELLANEOUS RECORDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF PARCEL 10A, LD 387 PER MAP FILED IN BOOK 36 PAGES 65 AND 66 OF PARCEL MAPS, RECORDS OF SAID COUNTY; SAID CORNER BEING THE EASTERLY TERMINUS OF THAT CERTAIN LINE SHOWN AS "N.  $85^{\circ}36'00''$  W. 130.29' " ON SAID MAP LD 387; THENCE ALONG THE SOUTHERLY, SOUTHEASTERLY AND EASTERLY LINES OF SAID PARCEL 10A, LD 387, NORTH  $85^{\circ}36'00''$  WEST 130.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF  $45^{\circ}00'00''$ , THENCE SOUTHWESTERLY ALONG SAID CURVE 39.27 FEET; THENCE ALONG A TANGENT LINE SOUTH  $49^{\circ}24'00''$  WEST 182.94 FEET; THENCE SOUTH  $2^{\circ}22'57''$  EAST 622.58 FEET; THENCE LEAVING THE EASTERLY LINE OF SAID LD 387, SOUTH  $64^{\circ}42'09''$  EAST 396.86 FEET; THENCE NORTH  $25^{\circ}17'51''$  EAST 101.30 FEET; THENCE NORTH  $2^{\circ}22'57''$  WEST 241.80 FEET TO A POINT IN THE PROPOSED SOUTHWESTERLY LINE OF ANCHORS WAY 60 FEET WIDE SAID LINE BEING A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 380.00 FEET AND A CENTRAL ANGLE OF  $39^{\circ}55'06''$ , THENCE NORTHWESTERLY 264.75 FEET ALONG SAID CURVE; THENCE ALONG A TANGENT LINE NORTH  $2^{\circ}22'57''$  WEST 339.74 FEET TO THE POINT OF BEGINNING.

AREA: 279361 S.F.

6.4132 ACRES



## EXHIBIT C

**LEGAL DESCRIPTION  
VENTURA PORT DISTRICT  
PARCEL 20 LICENSE AREAS**

**AREA 1 - SLIPS**

BEING A PORTION OF SUBDIVISION NO. 7 OF THE WEST ONE-HALF OF RANCHO SAN MIGUEL IN THE CITY OF SAN BUENAVENTURA, COUNTY OF VENTURA, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 5, PAGE 42 OF MISCELLANEOUS RECORDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS;

BEGINNING AT THE MOST EASTERLY CORNER OF PARCEL 10A, LD 387, PER MAP FILED IN BOOK 36, PAGES 65 AND 66 OF PARCEL MAPS, RECORDS OF SAID COUNTY, AT THE EASTERLY TERMINUS OF THAT CERTAIN LINE SHOWN ON SAID MAP LD 387 AS "NORTH  $85^{\circ}36'00''$  WEST, 130.29'"; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL 10A THE FOLLOWING FOUR (4) COURSES; NORTH  $85^{\circ}36'00''$  WEST, 130.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $45^{\circ}00'00''$  AN ARC LENGTH OF 39.27 FEET; THENCE TANGENT TO SAID CURVE SOUTH  $49^{\circ}24'00''$  WEST, 182.49 FEET; THENCE SOUTH  $2^{\circ}22'57''$  EAST, 622.58 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY SOUTH  $64^{\circ}42'09''$  EAST, 396.86 FEET; THENCE AT RIGHT ANGLES NORTH  $25^{\circ}17'51''$  EAST, 40.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING

1ST: NORTH  $25^{\circ}17'51''$  EAST, 61.30 FEET; THENCE

2ND: NORTH  $2^{\circ}22'57''$  WEST, 32.41 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT NORTHEASTERLY 130.00 FEET MEASURED AT RIGHT ANGLES FROM THAT COURSE DESCRIBED ABOVE AS HAVING A BEARING AND LENGTH OF SOUTH  $64^{\circ}42'09''$  EAST, 396.86 FEET; THENCE ALONG SAID PARALLEL LINE

3RD: SOUTH  $64^{\circ}42'09''$  EAST, 140.06 FEET TO A POINT IN A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHEASTERLY 125.00 FEET MEASURED AT RIGHT ANGLES FROM THE 1ST COURSE ABOVE DESCRIBED; THENCE ALONG SAID PARALLEL LINE

4TH: SOUTH  $25^{\circ}17'51''$  WEST, 90.00 FEET TO A LINE THAT BEARS SOUTH  $64^{\circ}42'09''$  EAST FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE

5TH: NORTH  $64^{\circ}42'09''$  WEST, 125.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED AREA 1 CONTAINS 11466 SQUARE FEET (0.2632 ACRES).



## EXHIBIT C

**AREA 2 - BAIT-RECEIVER**

BEING A PORTION OF SUBDIVISION NO. 7 OF THE WEST ONE-HALF OF RANCHO SAN MIGUEL IN THE CITY OF SAN BUENAVENTURA, COUNTY OF VENTURA, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 5, PAGE 42 OF MISCELLANEOUS RECORDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS;

BEGINNING AT THE MOST EASTERLY CORNER OF PARCEL 10A, LD 387, PER MAP FILED IN BOOK 36, PAGES 65 AND 66 OF PARCEL MAPS, RECORDS OF SAID COUNTY, AT THE EASTERLY TERMINUS OF THAT CERTAIN LINE SHOWN ON SAID MAP LD 387 AS "NORTH 85°36'00" WEST, 130.29'"; THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL 10A THE FOLLOWING FOUR (4) COURSES; NORTH 85°36'00" WEST, 130.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 45°00'00" AN ARC LENGTH OF 39.27 FEET; THENCE TANGENT TO SAID CURVE SOUTH 49°24'00" WEST, 182.49 FEET; THENCE SOUTH 2°22'57" EAST, 622.58 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY SOUTH 64°42'09" EAST, 157.36 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING

1ST: SOUTH 64°42'09" EAST, 25.00 FEET; THENCE AT RIGHT ANGLES

2ND: SOUTH 25°17'51" WEST, 40.00 FEET; THENCE AT RIGHT ANGLES

3RD: NORTH 64°42'09" WEST, 25.00 FEET; THENCE AT RIGHT ANGLES

4TH: NORTH 25°17'51" EAST, 40.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED AREA 2 CONTAINS 1000 SQUARE FEET (0.0230 ACRES).



## EXHIBIT C

## EXHIBIT "G"

MEMORANDUM OF LEASE

For good and valuable consideration, VENTURA PORT DISTRICT leases the premises legally described in the attachment hereto, to \_\_\_\_\_, and \_\_\_\_\_ hereby leases and hires said premises from VENTURA PORT DISTRICT, for the term and on the provisions contained in the written Lease dated and effective as of \_\_\_\_\_, \_\_\_\_\_, which is incorporated herein by this reference.

The term of the Lease is \_\_\_\_ (#) years, commencing on \_\_\_\_\_, \_\_\_\_\_, and ending on \_\_\_\_\_, \_\_\_\_\_. The Lease also sets forth special terms and provisions relating to the validity and enforceability of encumbrances secured by Lessee's leasehold in the premises and any subleases therein.

This Memorandum is not a complete summary of the Lease and shall not be used to interpret the Lease or its provisions. In the event of a conflict between the terms of this Memorandum and the Lease, the terms and provisions of the Lease shall control.

Dated: \_\_\_\_\_

VENTURA PORT DISTRICT,  
a California Port District

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

EXHIBIT C

Legal Description



## EXHIBIT C

## EXHIBIT "H"

PERSONAL GUARANTY

The purpose of this Guaranty is to memorialize the parties' understanding that if DERECKTOR MARINE HOLDINGS, LLC. ("Lessee") does not fully perform its obligations under the Lease between VENTURA PORT DISTRICT ("District") and Lessee dated \_\_\_\_\_ ("Lease"), the undersigned Guarantor will and does hereby agree to unconditionally, promptly, fully and completely pay and perform each, every and all obligations of Lessee under the Lease.

Guarantor acknowledges that he will benefit from the Lease, and in order to induce the District to enter into said Lease, has agreed to and hereby executes and delivers this Personal Guaranty to District with the express understanding that doing so is a condition precedent to the District executing the Lease.

The Guarantor confirms and warrants that:

(a) Lessee is a limited liability company formed under and currently existing in accordance and compliance with all the laws of the State of Delaware and is qualified to do business in the State of California;

(b) Guarantor is a member of Lessee and holds or controls an ownership interest in Lessee equivalent to \_\_\_\_\_ percent (\_\_\_\_%) of the equity and control of Lessee;

(c) Guarantor is the \_\_\_\_\_ of \_\_\_\_\_ and \_\_\_\_\_ has personal knowledge of and is familiar with the business affairs, books and records of Lessee;

(d) Guarantor individually has the ability to participate in and influence the decision-making process of Lessee; and

(e) Lessee is in sound financial condition and in a position to perform obligations required of it under and in accordance with the terms and conditions of the Lease.

Guarantor acknowledges that the District is relying upon Guarantor's covenants and warranties hereinabove set forth in executing the Lease and in undertaking to perform the obligations required of District under the Lease promptly and in good faith.

Guarantor agrees that each of his obligations under this Personal Guaranty is independent of the obligations under the Lease, and if Lessee does not perform under the Lease and make all payments required thereunder when due, District, in its sole discretion, may proceed directly against Guarantor under this Personal Guaranty without first proceeding against Lessee or exhausting any other remedies against Lessee available to District.

## EXHIBIT C

Guarantor further agrees that, in lieu of any right to indemnification that Guarantor might have against Lessee, which right is hereby waived, Guarantor shall be subrogated to the rights of District against Lessee, to the extent that Guarantor fully satisfies and discharges the obligations of Lessee under the Lease. This right of subrogation shall be the sole and exclusive remedy of Guarantor against Lessee.

Guarantor hereby waives any and all notices of default, non-performance or demand upon Lessee and further consents to any extensions of time or changes in the manner of payment or performance of any of the terms or conditions of the Lease which District or its successors, may grant to Lessee and, further, consents to any assignment, or successive assignments, of the Lease by District, and any extensions, renewals or other modifications of the Lease, all without notice to Guarantor. Guarantor further agrees that District may, without notice, assign this Personal Guaranty in whole or in part and that Guarantor expressly waives the provisions of California Civil Code Section 2845, a copy of which is attached hereto and initialed by Guarantor and Guarantor's attorney, whom Guarantor has consulted about the purpose, meaning and effect of this Personal Guaranty and the rights Guarantor has or may have under said statute.

Guarantor also agrees as follows:

1. Each covenant, warranty, obligation and other statement of the Guarantor hereunder shall be the individual, sole and independent obligation of Guarantor, separate and apart from all other similar rights District has or may have to enforce such covenants, warranties and obligations against Lessee or other guarantors;
2. The written acknowledgment by Lessee, a decision in an arbitration proceeding or a judgment of any court, that Lessee has defaulted in performance of any of the provisions of the Lease shall, in every respect, bind and be conclusive against Guarantor;
3. To pay all costs, expenses and reasonable attorneys' fees which District or its assigns and successors, may incur in enforcing this Personal Guaranty;
4. This Personal Guaranty is to be an open Guaranty and is to continue in full force, notwithstanding the acceptance by District, or its assigns or successors, of any compromise offered by Lessee, or its assigns or successors, without obtaining the consent of Guarantor. Said acceptance by District, or its assigns or successors, shall not in any manner operate as a release of liability of Guarantor hereunder;
5. Neither the obligations of Guarantor to perform in accordance with the terms of this Personal Guaranty, nor any remedy for the enforcement thereof, shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of Lessee, or its estate in bankruptcy, or any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the National Bankruptcy Act or other statute, or from any decision in an arbitration proceeding or any court;

## EXHIBIT C

6. This Personal Guaranty and the rights and obligations of the Guarantor shall be construed and enforced in accordance with the laws of the State of California;

7. District may institute suit in the courts of the County of Ventura, State of California, to recover under the terms of this Personal Guaranty, and Guarantor hereby consents to and submits himself to the jurisdiction of the State of California and agrees that District shall be entitled to judgment in and enforcement by the courts of the State of California for the amount which Guarantor may be adjudged to pay to District and/or any other relief granted to District against Guarantor, by any such court of the State of California, including interest, attorneys' fees, and reasonable costs; Guarantor designates, without power of revocation, \_\_\_\_\_ as his agent for service of process within the State of California with respect to any such suit;

8. Guarantor agrees that any controversy, dispute or claim arising under the Lease or this Guaranty may be determined by a reference in accordance with California Code of Civil Procedure §§638 et seq.; and

9. This Guaranty shall bind the assigns, successors and personal representatives of Guarantor and is and shall in every particular be available to District, its assigns and successors.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_, California, and effective as of \_\_\_\_\_.

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

EXHIBIT C

**COPY OF CC SECTION 2845**

2845. A surety may require the creditor, subject to Section 996.440 of the Code of Civil Procedure, to proceed against the principal, or to pursue any other remedy in the creditor's power which the surety cannot pursue, and which would lighten the surety's burden; and if the creditor neglects to do so, the surety is exonerated to the extent to which the surety is thereby prejudiced.

Initials \_\_\_\_\_  
Guarantor

Initials \_\_\_\_\_  
Guarantor's Attorney



# BOARD OF PORT COMMISSIONERS APRIL 19, 2023

## STANDARD AGENDA ITEM 3 ADOPTION OF RESOLUTION No. 3471 APPROVING THE UPDATES TO THE BOARD OF PORT COMMISSIONERS PROTOCOLS AND POLICIES MANUAL AND RESCIND RESOLUTION No. 3422

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 2**  
Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Jessica Rauch, Clerk of the Board  
SUBJECT: Adoption of Resolution No. 3471 Approving the Updates to the Board of Port Commissioners Protocols and Policies Manual

---

**RECOMMENDATION:**

That the Board of Port Commissioners adopt Resolution No. 3471 approving the updates to the Board of Port Commissioners Protocols and Policies Manual and rescind Resolution No. 3422.

**SUMMARY:**

The Protocols and Policies Manual for the Board is updated from time to time to clarify, restate or add new information as applicable.

**GUIDING PRINCIPLES:**

6) Provide exceptional public service and organizational transparency.

**FIVE-YEAR OBJECTIVES:**

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.  
4) Updates to District policies to reflect improved transparency and DEI

**BACKGROUND:**

The adoption of written guidelines regarding the conduct of public officials provides a sound foundation on which to build public trust and confidence. The proper operation of the District requires that decisions and policies be made within the proper channels of governmental structure, that public office not be for personal gain, and that the Commissioners remain objective and responsive to the needs of the public and business owners they serve. The purpose of this manual is to set forth protocols and policies that govern the Port Commission and Commission meetings. The intent of this manual is to ensure uniformity of procedure, access to the public, fairness to the public and interested parties, and compliance with legal requirements in all designated matters heard by the Board of Port Commissioners.

**FISCAL IMPACTS:**

None.

**ATTACHMENTS:**

Attachment 1 – Board of Port Commissioners Protocols and Policies Manual – redlined  
Attachment 2 – Resolution No. 3471 with Exhibit A - Board of Port Commissioners Protocols and Policies Manual - Clean

# **BOARD OF PORT COMMISSIONERS**

## **PROTOCOLS AND POLICIES**

### **MANUAL**



**VENTURA  
PORT DISTRICT**

*Established 1952*

**Adopted March 25, 2015**

**Updated**

**July 27, 2016**

**~~Updated~~ December 12, 2018**

**~~Updated~~ January 22, 2020**

**~~Updated~~ July 21, 2021**

**April 19, 2023**



## TABLE OF CONTENTS

Section		Page
<b>1.0</b>	<b>INTRODUCTION</b>	<b>1</b>
	1.1 Purpose and Intent of Handbook	1
	1.2 Ventura Port District Description	1
	1.3 Ventura Port District Mission Statement	1
	1.4 Ventura Port District <u>Goals Guiding Principles and Five-Year Objectives</u>	2
	<del>1.5 Ventura Port District 5-year Objectives</del>	2
<b>2.0</b>	<b>GOVERNING BODY</b>	<b>3</b>
	2.1 Board of Port Commissioners	3
	2.2 Term of Office	3
	2.3 Election of Officers	3
	2.4 Role of Chair	3
	2.5 Role of Vice-Chair	3
	2.6 Role of Secretary	3
<b>3.0</b>	<b>RESPONSIBILITIES AND CONDUCT OF COMMISSIONERS</b>	<b>4</b>
	3.1 Board Principles	4
	3.2 Procedure for Responding to Breaches of the Board Principles	4
	3.3 Oath of Office	5
	3.4 Conflict of Interest	5
	3.5 Ethics Training	5
	3.6 New Commissioner Orientation	5
	<u>3.7 Social Media</u>	<u>5</u>
	<u>3.8 Cellphone Usage during Meetings</u>	<u>6</u>
<b>4.0</b>	<b>TRAININGS AND CONFERENCES</b>	<b>6</b>
	4.1 New Board Member Training	6
	4.2 Expense Reimbursement Policy for Commissioners	6
<b>5.0</b>	<b>COMMISSIONER INTERACTIONS</b>	<b>7</b>
	5.1 Commissioner/Clerk of the Board	7
	5.2 Commissioner/Staff	7
	5.3 Commissioner/Port District Tenant	7
	5.4 Commissioner/Legal Counsel	7
	5.5 Commissioner and Staff Visibility to the Public	7
	5.6 Commissioner Representation as a Commissioner at Public Engagements	8
	5.7 Commissioner Participation as Interested Party at Community Events	8
<b>6.0</b>	<b>DISTRICT OFFICERS</b>	<b>9</b>
	6.1 General Manager	9
	6.2 General Counsel	9
<b>7.0</b>	<b>PORT COMMISSION MEETINGS</b>	<b>10</b>
	7.1 Meeting Location	10
	7.2 Compliance with the Brown Act	10
	7.3 Regular Meetings	10
	7.4 Special Meetings	10
	7.5 Emergency Meetings	10
	7.6 Cancelled Meetings	10
	7.7 Adjourned Meetings	11
	7.8 Teleconferenced Meetings	11
	7.9 Closed Sessions	11
	7.10 Sub-committees	12
	7.11 Board Liaisons	12
	7.12 Quorum and Voting	12
	7.12.1 Attending Meetings of Other Public Agencies, Conferences, Etc.	13
	7.12.2 Social Gatherings	13
	7.12.3 Email, Texting, Instant Messages, and Other Electronic Communication	13

## ATTACHMENT 1

7.13	Commissioner Absences	13
7.14	Attendance by the Public	13
7.14.1	Public Communication – Verbal and Written	13
7.15	Agendas	14
7.16	Minutes and Recordings	14
<b>8.0</b>	<b>ORDER OF BUSINESS</b>	<b>15</b>
<b>9.0</b>	<b>POLICIES ADOPTED BY THE PORT COMMISSION</b>	<b>17</b>
	<b>APPENDIX 1 – LAFCo Sphere of Influence Map</b>	<b>18</b>
	<b>APPENDIX 2 – District Parcel Map</b>	<b>19</b>
	<b>APPENDIX 3 – Harbors and Navigation Code Sections</b>	<b>20</b>

## 1.0 INTRODUCTION

### 1.1 Purpose and Intent

The adoption of written guidelines regarding the conduct of public officials provides a sound foundation on which to build public trust and confidence. The proper operation of the Ventura Port District (“District”) requires that decisions and policies be made within the proper channels of governmental structure, that public office not be for personal gain, and that the Board of Port Commissioners (“Board” or “Commissioner”) remains objective and responsive to the needs of the public and business owners they serve. The purpose of this manual is to set forth protocols and policies that govern the conduct of Board meetings and other District business. The intent of this manual is to ensure uniformity of procedure, access to the public, fairness to the public and interested parties, and compliance with legal requirements in all designated matters heard by the Board.

### 1.2 District Description

The District was established on April 8, 1952 by an election and majority vote of the citizens of the City of Ventura. On April 15, 1952, the Board of Supervisors of Ventura County, ordered formation of the District pursuant to the Harbors and Navigation Code of the State of California.

The District was organized for the purpose of acquiring, constructing and operating a commercial and recreational boat harbor within the City of Ventura. The District’s legal boundaries encompass all of the City of Ventura as well as some small areas outside the City limits.

The District is the owner and operator of the Ventura Harbor. The Ventura Harbor is a 274-acre multiple use recreational and commercial fishing small craft harbor. Other than the 2.74-acre site owned by the Department of Interior, National Park Service, the District is the sole landowner within the Harbor. The District’s current property holdings include approximately 152 acres of land and 122 acres of water area. The Harbor was initially developed in the early 1960’s and still has approximately 3.74 acres of land area available for development.

APPENDIX 1 illustrates the Ventura Port Districts Sphere of Influence approved by LAFCo.

APPENDIX 2 illustrates the Ventura Port District parcel map.

The official address and principal place of business of the District is:

VENTURA PORT DISTRICT  
1603 Anchors Way Drive  
Ventura, CA 93001  
(805) 642-8538; Fax (805) 658-2249

### 1.3 Ventura Port District Mission Statement

The Ventura Port District, home to the Channel Islands National Park, is committed to providing a safe and navigable harbor and a seaside destination with exceptional facilities, events and services that benefits residents, visitors, fishermen and boaters.

#### **1.4 Ventura Port District Goals-Guiding Principles and Five5-Year Objectives**

In its continuing effort to fulfill its mission and provide engaged, accountable, and effective government, the District established Guiding Principles and 5-Year Oobjectives to guide its Commission and staff. These were adopted by the Board on April 6, 2022 and can be found on the District's website at <https://venturaharbor.com/mission-vision/>.

The District will provide a rewarding and vibrant coastal marine experience to our residents and visitors through efficient and timely execution of these District Goals.

- 1) ~~Maintain and enhance a safe and navigable harbor by:
 
  - 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) ~~Support and promote commercial and recreational boating and fishing.~~
- 3) ~~Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies.~~
- 4) ~~Promote sustainable use of our natural environment through business practices and programs designed in concert with our tenants, educators, agencies, and interest groups.~~
- 5) ~~Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials and the community.~~
- 6) ~~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.~~

#### **1.4 Ventura Port District 5-Year Objectives**

~~In its continuing effort to fulfill its mission and achieve its goals set out above, while managing the daily Harbor operations, the District established objectives to guide its Commission and staff.~~

~~These five-year objectives were developed following a public workshop involving tenants, city officials, and other community stakeholders. It is expected that that a similar process will be relied upon periodically to update the five-year objectives and long-term goals and ensure the District and its stakeholders are fully engaged in planning for the future of the District and its facilities.~~

## 2.0 GOVERNING BODY

### 2.1 Board of Port Commissioners

The Board of Port Commissioners consists of five members appointed by the mayor and City Council of Ventura, who shall govern the Ventura Port District.

Commissioners shall not be appointed to the Board of Port Commissioners unless they are, at the time of appointment, a taxpayer within the District and have resided within the District for at least one year. (H&N Code Section 6244)

### 2.2 Terms of Office

Commissioners will serve a term of office of four years from the time of appointment. (H&N Code Section 6245) If a Commissioner resigns in the middle of their term, a new Commissioner will be appointed to finish out that term, which could be one, two or three years. (H&N Code Section 6242) Every officer whose term has expired shall continue to discharge the duties of his/her office until his/her successor has been appointed. (Gov't Code Section 1302)

### 2.3 Election of Officers

At one of its January meetings, every two years, the Board shall elect from its membership a Chairman, Vice-Chairman and Secretary. (H&N Code Section 6241.1)

### 2.4 Role of Chair

The Chair of the Board is to be elected by the Board of Port Commissioners for a term of two years. (H&N Code Section 6241.1) The Chair shall have the authority to preserve order at all Board meetings, to remove any person from any meeting for disorderly conduct, to enforce the rules of the Board and to determine the order of business.

The Chair shall have the authority to prevent the misuse of motions, or the abuse of any privilege, or obstruction of the business of the Board by ruling any such matter out of order. In so ruling, the Chair shall be courteous and fair and should presume that the moving party is acting in good faith.

The Chair shall attend an agenda review meeting with the General Manager before each Board Meeting either in person or by phone.

### 2.5 Role of Vice-Chair

In the absence of the Chair or his/her inability to act, the Vice-Chair shall preside at all meetings. The Vice Chair shall attend an agenda review meeting with the General Manager and Chair before each Board Meeting either in person or by phone.

### 2.6 Role of Secretary

The Secretary ensures the Commission adheres to all adopted policies and must attest and sign all approved minutes, resolutions, and other official documents.

### 3.0 RESPONSIBILITIES AND CONDUCT OF COMMISSIONERS

#### 3.1 Board Principles

The Board of Port Commissioners recognizes its actions affect the District's ability to fulfill its mission. Listed below are practices deemed essential for the Board to positively affect the District's ability to operate efficiently and effectively. To that end, the members of the Board of Port Commissioners affirm their commitment to act in accordance with the following practices:

1. Act in accordance with the District's Mission.
2. Maintain a high level of integrity and follow through with all commitments, especially with other government agencies.
3. Work only as a Board, with no independent, tangential, or hidden agendas.
4. Always strive for consensus, remembering unanimity is not required.
5. Once the Board has made a decision, acknowledge and act in accordance with it.
6. Understand the Board's role is to set policy and ensure staff understands this, while facilitating staff's ability to implement Board directed policy.
7. Recognize and abide by the separation of responsibilities between the Board, General Manager and Staff.
8. Clearly understand the expectations and the responsibilities of the Board Chair, Vice Chair, and Commissioners.
9. Correctly identify the issues.
10. Realistically select important issues related to the District's mission and worthy of the Board's energies and efforts.
11. Make sure all major policy decisions are well thought out from a legal perspective, all options have been explored, with each advantage and disadvantage, explored and weighed.
12. Communicate all facts accurately and fully.
13. Encourage open discussion by all Board members on all subjects.
14. Ensure everyone has a chance to give and explain his or her point of view.
15. Actively and courteously listen to each other in a genuine effort to understand opposing views.
16. Attend and actively participate in all meetings, keeping absences to a minimum.
17. Come to meetings prepared, having reviewed the materials provided by staff.
18. Ask the General Manager for background information as needed prior to Board meetings.
19. Never hesitate to ask questions at a Board meeting or request additional information, if required.
20. Understand and follow Brown Act requirements.
21. Maintain confidential information that has been acquired during closed session.

#### 3.2 Procedure for Responding to Breaches of the Board Principles

Should evidence or allegations of violations of the Board Principles by a Commissioner of the Ventura Port District come to the attention of a Board member, that Board member shall address the matter with the General Manager and General Legal Counsel, who will investigate the matter. If it is determined to be a potential violation based upon the investigation, the matter will be agendaized for Board consideration and determination in open session. (Open & Public V: A guide to the Ralph M. Brown Act)

Should the Principles continue to be violated by the Commissioner as determined by the Board, the Board may direct the General Manager to bring it to the attention of the Ventura City Council. The Ventura City Council has the authority to remove Commissioners from office during their term for cause by a vote of not less than five members of the Council. (H&N Code Section 6241.1)

### **3.3 Oath of Office**

Within ten days of a Commissioners appointment and before performing duties of his or her office, each Commissioner shall take and subscribe to an Oath of Office before the Clerk of the Board, that he or she will support the Constitution of the United States and the Constitution of the State of California and will faithfully discharge the duties of his or her office according to the best of their ability. (H&N Code Section 6243)

### **3.4 Conflict of Interest**

Pursuant to Sections 87200 *et. seq.*, Government Code, newly appointed Commissioners are required to file a "Statement of Economic Interests" within ten days of assuming office; this Statement is filed with both the County and City Clerks offices and at the District office. After the initial statement is filed, each Commissioner is required to file an annual statement, usually after January 1 of each year but no later than April 1 of each year.

A Commissioner is required to conform to the Conflict of Interest provisions of the Political Reform Act, Section 87100 *et. seq.*, California Government Code and the District's Conflict of Interest Code, which regulate financial conflicts of interest. The law imposes the responsibility to avoid financial conflicts of interest upon each Commissioner. Pursuant to state law, each Commissioner must undergo training in the obligations of the law to avoid conflicts of interest and to conform to all other applicable laws including those concerning ethics and conflict of interest.

A Commissioner is required to file a "Leaving Office Statement" within 30 days after leaving office.

### **3.5 Ethics Training**

Each Commissioner shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service no later than one year from the first day of service. Thereafter, each Commissioner shall receive the training at least once every two years, without regard to the number of local agencies with which he or she serves. (Gov't Code Section 53235(b))

### **3.6 New Commissioner Orientation**

When a Commissioner is first appointed to the Board, the General Manager and Chair~~man~~ shall hold an orientation to give an introduction to the Ventura Port District, its policies and procedures.

### **3.7 Social Media**

The Ventura Port District Marketing Department participates in Facebook, Twitter, Instagram, and other social media platforms to engage members of the public and surrounding organizations in a more active role. The District promotes content on these social media outlets to provide updates to community members in a timely manner and to share information to a larger on-line audience.

Social media provides unintended opportunities for the Commission to engage in prohibited serial meetings. On any form of Social Media, whether a public page or a closed group, to which a majority of the Commission has access, a posting, or a response to a posting, by one Commissioner could be viewed by two other Commissioners, which could likewise be considered a prohibited serial meeting. This would be inadvertent, but nevertheless erode the public's confidence that Commission meetings only take place in public so the public may participate fully in the decision-making process.

Recent Brown Act amendments clarified that a member of a legislative body may engage in conversations of communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body, provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. In addition, a member of the legislative body may not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body. (Gov't Code Section 54952.2(b)(3) These changes are in effect only until January 1, 2026, unless extended or made permanent by the Legislature or Governor.)

Therefore, it is recommended that Commissioners refrain from posting on any form of District social media, whether public page or closed group, sharing posts, and refrain from responding to comments or reacting to posts using digital icons.

### **3.8 Cellphone Usage in Meetings**

Personal cellphone usage shall be limited to break times and emergencies only. Cellphones should be silenced once the meeting is called to order. Commissioners and attendees should be engaged in the meeting and not cause distractions with their phones.



## 4.0 TRAININGS AND CONFERENCES

Members of the Board are encouraged to attend educational trainings, conferences, and professional meetings when the purpose of such activity is to improve District operations. There is no limit as to the number of Commissioners attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District. If multiple Commissioners attend a training or conference, they must not discuss District business amongst themselves.

A training and conferences budget is set every fiscal year by the General Manager and approved by the Board. All training and conferences for Commissioners and staff are brought to the Board for approval.

### 4.1 New Board Member Training

It is recommended that all new Board Members attend the California Special District Association's "How to be an Effective New Board Member" Training. The training has been designed specifically for special district board members and board chairs/presidents in order to provide the tools, background and overall knowledge necessary to help navigate the first year of governing a special district and be an effective leader. This training would qualify for travel and expense reimbursement.

### 4.2 Travel Expense Reimbursement Policy for Commissioners

~~On March 23, 2016, the Board approved Resolution No. 3303 adopting~~The Board has approved the Ventura Port District Travel Expense Reimbursement Policy ("Policy") for Commissioners. The purpose of the Policy is to set forth the procedure of the District concerning the reimbursement of actual and necessary expenses incurred by a Commissioner in the performance of official duties for the benefit of the District, pursuant to Government Code Sections 53232 et. seq. This policy can be viewed on the District's website at <https://venturaharbor.com/board-meeting-documents/>. ~~under Port District Business—Meetings & Agendas.~~

## 5.0 COMMISSIONER INTERACTIONS

### 5.1 Commissioner/Clerk of the Board

All questions or requests regarding conduct of District meetings and travel requests must come through the Clerk of the Board.

### 5.2 Commissioner/Staff

The Board will address District staff in a professional, constructive, and considerate manner. This will ensure that Board interactions with staff will have a positive impact on the operations of the District.

Board members have no authority to direct staff to work on projects without the approval of a majority vote of the Board. To operate the District in an effective and professional manner, the General Manager needs to be aware of the projects on which each staff member is working.

Correspondence and requests directed to staff on behalf of Commissioners should be routed through the Chair, Clerk and/or General Manager. Requests related to the conduct of a meeting should also be routed through the Clerk.

### 5.3 Commissioner/Port District Tenant

In an effort to ensure fair and efficient communication with tenants in the harbor, a Commissioner will provide a brief summary and disclose any contacts he or she may have had with any tenant at a subsequent Board meeting. This brief summary of such contact shall be provided as part of routine reporting during Board Communications at the next District public meeting, as appropriate.

To assure fair and consistent negotiations on all pending leasing agreements, no Commissioner shall discuss any aspect of a lease that is under negotiation or discussion between the tenant and the District General Manager or District staff. Should a tenant wish to meet or confer with a Commissioner at any point during lease negotiation regarding the terms of a lease, the Commissioner may only do so if a member of the District staff is also present.

### 5.4 Commissioner/Legal Counsel

While there will be instances where individual Commissioners have a need to contact District Counsel directly, in general it is preferred that Commissioners first direct their inquiry to the General Manager or his/her designee before involving Counsel.

### 5.5 Commissioner and Staff Visibility to the Public

To ensure that Commissioners and District staff are easily recognized by the public for District events or events where the Port District is being represented, a Commissioner or District staff should wear an appropriate name badge to identify the individual and his or her affiliation with the District. The cost of the name badge will be borne by the District.

### 5.6 Commissioner Representation as a Commissioner at Public Engagements

In an effort to ensure transparency in the conduct of District business, when possible, Commissioners shall advise the Board in advance, of participation at conferences, meetings, and public speaking engagements in which Commissioners will be representing the District in their official capacity. Participation in such engagements shall be for the purpose of advancing the Board's policies, projects and goals as determined by the Board through its prior approval actions, consistent with other protocols.

### **5.7 Commissioner Participation as Interested Party at Community Events**

From time to time, Commissioners may choose to participate in community activities, committees, events, and task forces. When a Commissioner participates in these types of activities, the Commissioner is acting as an interested party rather than acting on behalf of the Board. Acting or participating on behalf of the Board is limited to those instances when the Commission has formally designated the Commissioner as its representative for the matter.

## **6.0 DISTRICT OFFICERS**

### **6.1 General Manager**

The Board of Port Commissioners is authorized to employ a General Manager of the Ventura Port District by Employment Agreement who shall be responsible for the day-to-day management of the District and the employment of the District personnel subject to Board policy. The qualifications of the General Manager shall meet the requirements established by the Board. The General Manager may also act as Board Secretary or be appointed as the Finance Officer, but no Commissioner shall be appointed as General Manager. The duties of the General Manager shall be determined by the Board, and the General Manager's performance shall be evaluated annually by the Board.

The General Manager may also acts as "Auditor" pursuant to the California Harbors and Navigation Code Section 6241.1, which states..."An auditor shall be appointed by the board with the approval of the City Council..."

### **6.2 General Counsel**

General Counsel to the District is appointed by the Board, and although they may provide services to the District under contract, General Counsel serves at the pleasure of the Board. The Board shall review the performance of General Counsel periodically.

## 7.0 PORT COMMISSION MEETINGS

### 7.1 Meeting Location

Meetings of the Board shall be held at 1603 Anchors Way Drive, Ventura, California. The Board may, at times, elect to meet at other locations within the City and upon such election shall give public notice of the change of location as per Brown Act requirements.

### 7.2 Compliance with the Brown Act

Pursuant to the Ralph M. Brown Act ("Brown Act"), all meetings of the Board of Port Commissioners shall be open and public, and all persons shall be permitted to attend and participate in any public meeting of the Board of Port Commissioners except as provided by law; provided, however, that closed sessions may be held when permitted by law. Periodically, Legal Counsel will provide a refresher training on the Brown Act.

### 7.3 Regular Meetings

The Board of Port Commissioners considers and approves a meeting schedule for the year at one of its regular meetings, usually in December of each year. Regular Meetings are typically held the first and third Wednesday of every month. However, the Board customarily does not meet in August, and November and December have only one meeting on the third Wednesday of the month. Normally, closed session begins at 5:30PM for public comment on closed session items. Open session begins at 7:00PM.

### 7.4 Special Meetings

Special meetings of the Board may be called and held from time to time pursuant to the procedures set forth in the Brown Act.

### 7.5 Emergency Meetings

In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities an emergency meeting may be called by the Board Chair~~man~~ or by a majority of the Commissioners without complying with the 24-hour notice or posting requirements or both. The meeting shall be conducted under the same rules as a Special Meeting. The Board may meet in closed session pursuant to Government Code section 54957 during an Emergency Meeting if agreed to by two-thirds vote of the Commissioners present, or, if less than two-thirds of the Commissioners are present, then by a unanimous vote of the Commissioners present at the meeting.

An emergency situation includes an emergency (a work stoppage, crippling activity, or other activity which severely impairs public health or safety, or both, as determined by a majority of the Board) and a dire emergency (a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a one-hour notice before holding an emergency meeting may endanger the public health, safety, or both, as determined by a majority of the Board.) (GC Sec. 54956.5)

### 7.6 Cancelled Meetings

When the day for any regular meeting falls on a legal holiday, the regularly scheduled meeting for that day shall be deemed cancelled unless otherwise provided by the Board. Any meeting of the Board may be cancelled in advance by a majority vote of the Board. From time to time, there may be a need for the General Manager, in consultation with the Chair and Vice-Chair, to cancel a meeting due to lack of agenda items or unplanned Commissioner absences.

### **7.7 Adjourned Meetings**

Any regular, adjourned, or special meeting may be adjourned to another time, place and date specified in the order of adjournment provided it is not beyond the next regular meeting date. Once adjourned, the meeting may not be reconvened. (GC Sec. 54955)

### **7.8 Teleconferenced Meetings**

Regular or Special meetings of the Board of Port Commissioners may be teleconferenced, i.e. a meeting of individuals in different locations, connected by electronic means, through either audio or video, or both. Any teleconferenced meeting shall meet requirements of the Brown Act (GC Sec. 54950, et seq.) as follows:

1. The meeting agenda(s) shall be posted at all teleconferenced locations and include a listing of each teleconference location. For example, a Commissioner teleconferencing from a hotel must see that the agenda is posted in the public area of the hotel and on the door of the Commissioner's room.
2. Any notices of the meeting shall list each teleconference location. The District Secretary shall be notified by a Commissioner desiring to teleconference of the Commissioner's location in sufficient detail and sufficiently in advance of the meeting date to meet the requirements for providing the appropriate notice.
3. Each teleconference location shall be accessible to the public. For example, if a Commissioner is teleconferencing from his/her hotel room then the door to the room must be ajar or unlocked to permit members of the public to enter during the course of the teleconferenced meeting.
4. A speaker phone must be used at the location of the teleconferencing site to permit members of the public who attend the meeting to be able to hear the meeting and, as appropriate, participate in the meeting.
5. All votes taken during a teleconferenced meeting shall be by roll call. (GC Sec. 54953(b)).

### **7.9 Closed Sessions**

The Board may hold closed sessions during any regular, adjourned-regular or special meeting, or any time otherwise authorized by law, to consider any matter which is authorized by law to be heard or considered in closed session, including, but not limited to, the following:

- (a) Real Property Negotiations – To discuss the terms of a real estate transaction
- (b) Litigation – To discuss anything related to the litigation – facts, legal theories, settlements, etc.
- (c) Labor Negotiations – To confer with and instruct the District's labor negotiator with respect to labor negotiations
- (d) Personnel Matters – To discuss the employment, appointment, evaluation or dismissal of staff

The general subject matter for closed session consideration shall be agendized or publicly announced as required under the Brown Act, before such session is held.

Except as otherwise provided in Government Code section 54963, no person in attendance at a closed session shall disclose confidential information that has been acquired during the closed session to a person not entitled to receive that information, unless the Board of Directors authorizes the disclosure.

Confidential information means a communication made in closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under Government Code Section 54963.

Violation of Government Code Section 54963 may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

- (1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.
- (2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.
- (3) Referral of a member of a legislative body who has willfully disclosed confidential information in violation of this section to the grand jury.
- (d) Disciplinary action pursuant to paragraph (2) of subdivision (c) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

#### **7.10 Sub-committees**

In an effort to ensure transparency in the conduct of District business, the use of committees is to be discouraged whenever possible. Generally, the Board only establishes committees on an ad hoc basis to more efficiently address matters subject to closed session. The District and public are better served when Board meetings are conducted openly. As such, the Board does not have standing committees. This will ensure that all five Commissioners have an equal opportunity to have input on all issues related to the District.

#### **7.11 Board Liaisons**

Board Liaison appointments can be raised by any Commissioner. When such appointment(s) is raised, it must be formally approved by the Commission at a noticed public meeting.

Commissioners appointed as a liaison shall represent the interests of the District and shall keep the Board informed of their activities and positions taken under the Board Communications portion of the agenda.

The current Board liaisons are: Dredging Liaison, Audit Liaison and JPIA Liaison.

#### **7.12 Quorum and Voting**

Three members of the Board shall constitute a quorum and three affirmative votes are required for the Board to take action. (H&N Code Section 6270)

Any Commissioner present at a meeting when a question comes up for a vote, should vote for or against the item unless he/she is disqualified from voting and abstains because of a conflict of interest. If the vote is a voice vote, the Chair shall declare the result. The Board may also vote by roll call at the request of any Board member. Resolutions and Ordinances require a roll call vote.

**7.12.1 Attending Meetings of other Public Agencies, Conferences, Etc.**

Any number of Commissioners may attend meetings of other public agencies, conferences, etc.; provided, however, that where a quorum of the Board is present, they do not discuss District business amongst themselves. This does not preclude Commissioners from addressing the governing body or members of a panel at the meeting or event regarding District business.

**7.12.2 Social Gatherings**

A quorum of the Board may attend or participate in social gatherings or other similar events. However, even when meeting socially, Commissioners shall not discuss District business, or the gathering could be deemed a meeting under the Brown Act.

**7.12.3 Email, Texting, Instant Messages, and other Electronic Communication**

Commissioners and staff must take care not to participate in non-contemporaneous electronic communications that could turn into a serial meeting under the Brown Act. The District encourages the use of email as a one-way communication tool. To this end, Commissioners should not “Reply All” to any emails to avoid a quorum of the Board being involved in the communication. Similarly, staff should be cautious of acting as an intermediary in a serial communication including Commissioners to avoid potential Brown Act violations.

**7.13 Commissioner Absences**

In the event a Commissioner is going to be absent from a Board meeting, every effort should be made to advise the Clerk of the Board in advance of that absence. If a Commissioner anticipates an extended absence, he or she should provide advance notice of the absence to the Chair and Clerk so that the Board may plan ahead for and manage any work that might otherwise be assigned to that Commissioner.

**7.14 Attendance by the Public**

All meetings of the Board, except Closed Sessions, shall be open and public in accordance with the terms, provisions and exceptions consistent with the Brown Act. A public comment period is available for members of the public to raise issues of concern within the Board's jurisdiction or authority at all regular meetings of the Board. While public comments are welcome, the public should not expect a response or any significant exchange, as the Board is limited under the Brown Act in its ability to respond to public comment.

**7.14.1 Public Communications – Verbal and Written**

The Board shall accept public comments and testimony on specific agenda items as well as on matters not specifically appearing on the agenda. The Board will request, but not require, speakers to fill out and submit a speaker card to the Clerk.

For items appearing on the Board agenda, prior to initiation of discussion by the Board, the Chair~~man~~ will acknowledge that a request to speak has been received and invite the speaker to address the Board immediately prior to or during discussion of the item by the Board.



In addition to verbal comments, written comments will be accepted prior to the start of the public hearing. Copies of all written comments shall be distributed to the Board prior to their decision on the matter and posted on the Commission's webpage. Written comments will not be read out loud during public comment.

#### **7.15 Agendas**

The Clerk of the Board shall prepare, publish and distribute agendas for all meetings. Meeting agendas shall be posted at least 72 hours in advance and topics shall be limited to those on the agenda. Agendas are available on the Ventura Port District website [homepage and at https://venturaharbor.com/board-meeting-documents/](https://venturaharbor.com/board-meeting-documents/)  
<https://venturaharbor.com/board-meetings-minutes/>.

#### **7.16 Minutes and Recordings**

Minutes and recordings of Board meetings will be kept and maintained as follows:

- a. "Action Minutes" will be prepared by the Clerk of the Board for all Commission meetings that are open to the public. Minutes are prepared after each commission meeting by the Clerk of the Board and approved by the Board at a subsequent meeting. These minutes are not actual transcripts of the meetings but describe only the motion-maker and the contents of the motion, the Commissioner seconding the motion, the vote, and any conditions of approval. The minutes will also reflect the names of public speakers. If a Commissioner desires for a comment to be included in the minutes, it is his or her responsibility to indicate to the Clerk of the Board that the statement is "for the record" before making the comments.
- b. Board meetings are digitally recorded and maintained by the Clerk of the Board in accordance with the District's Record Retention Policy. Members of the public may listen to audio recordings on the District's website.

## 8.0 Order of Business

The business of the Commission at its meetings will generally be conducted in accordance with the following order unless otherwise specified on the agenda. A closed session may be held at any time during a meeting consistent with applicable law:

CALL TO ORDER (Closed Session)  
 ROLL CALL  
 PUBLIC COMMUNICATION  
 ADJOURN TO CLOSED SESSION  
 CALL TO ORDER (Open Session)  
 PLEDGE OF ALLEGIANCE  
 ROLL CALL  
 ADOPTION OF AGENDA  
 APPROVAL OF MINUTES  
 PUBLIC COMMUNICATIONS  
 CLOSED SESSION REPORT (If a closed session is conducted)  
 BOARD COMMUNICATIONS  
 STAFF AND GENERAL MANAGER REPORT(S)  
~~LEGAL COUNSEL REPORT~~  
 CONSENT AGENDA  
 STANDARD AGENDA  
     ACTION ITEMS  
     INFORMATIONAL ITEMS  
 ADJOURNMENT

**Call to Order** – The Chair opens the public meeting by calling it to order at the appropriate scheduled time.

**Pledge of Allegiance** – The Chair or designee will lead those present at the meeting in the Pledge of Allegiance.

**Roll Call** – The Clerk of the Board will take roll.

**Adoption of the Agenda** – The Board will consider and approve, by majority vote, minor revisions to agenda items and/or attachments and any item added to (in accordance with the requirements of the Brown Act) or removed/continued from the agenda. This motion is approved by voice vote.

**Approval of the Minutes** – The Commission will discuss, make possible amendments to and approve minutes of the past meeting(s).

**Public Communications** – This period is set aside to allow public communications on items not on the agenda, but within the jurisdiction and authority of the District. Each person may address the Board for up to three minutes or at the discretion of the Chair. Each person is requested but not required to fill out and return to the Clerk of the Board a speaker slip, which allows the Chair to recognize who would like to speak. No person may speak without first being recognized by the Chair.

**Closed Session Report** – Any reportable actions taken by the Board during Closed Session will be announced at this time by Legal Counsel.

**Board Communications** – This time is set aside to allow Board members to briefly comment on District issues, such as seminars, meetings, projects and literature that would be of interest to the public and/or District, as a whole, as well as report any interactions with Harbor tenants.

**Staff and General Manager Report(s)** – District staff will give the Board reports on their Department activities. The General Manager will report on items of general interest to the Board and public. Legal Counsel will report on progress on District assignments and any legislative or judicial matters.

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

**Consent Agenda** - Matters appearing on the Consent Agenda 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 item identified on the Consent agenda. Approval by the Board of Consent Items means that the recommendation by staff is approved by motion along with the terms set forth in the applicable staff reports.

**Standard Agenda** – The Standard Agenda consists of Action Items and Informational Items.

**Action Items** – In accordance with the Brown Act, the Board may not take action on any item that does not appear on the agenda posted at least 72 hours prior to the meeting, unless the item is added to the agenda in accordance with the Brown Act (Gov't Code Section 54954.2). Staff will give the Board a report, the Board will ask questions, the Chair will call for public comment, then Board discussion and deliberation, and then action may be taken, to be followed by a brief oral summary of the action taken by the Chair or the Board member presiding at the meeting. A voice vote or roll call vote will be taken, unless the item is continued, or no motion or action is taken.

**Informational Items** – Staff will give a report on matters requested by the Board or a Commissioner or on a matter of general interest to the Board or public. Normally, no action is to be taken on an informational Item.

**Adjournment** – The Chair~~man~~ will adjourn the meeting.

## ACKNOWLEDGEMENTS

This handbook was based on similar handbooks from other municipalities. We thank the City of Ventura, County of Santa Barbara, Princeton, New Jersey Government, Newhall County Water District, Alameda-Contra Costa Transit District, and San Simeon Community Services District. Also used as references were the Harbors and Navigation Code, Robert's Rules of Order and the Brown Act.

## 9.0 PORT COMMISSION AND PORT DISTRICT POLICIES BY RESOLUTION

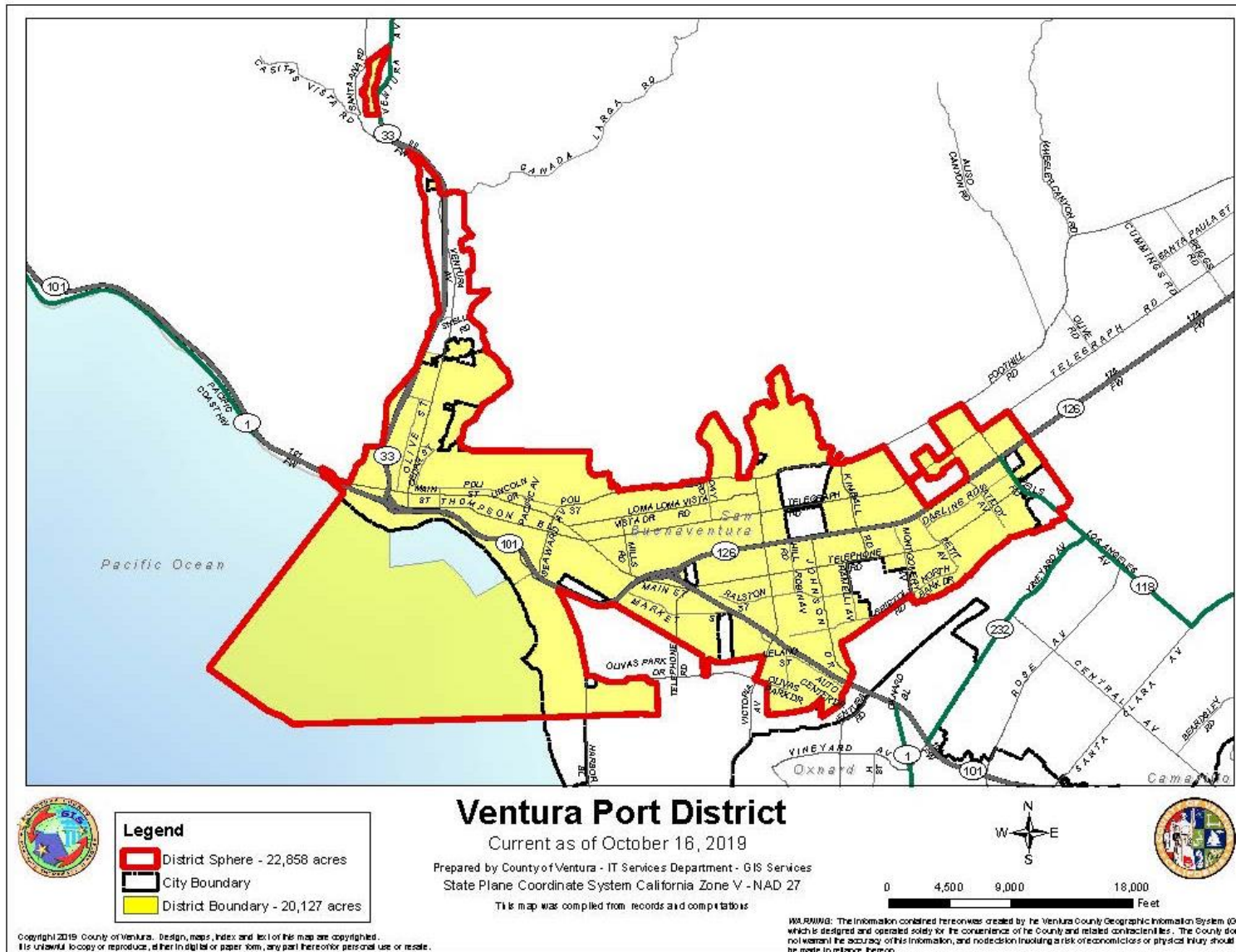
District policies can be found on the District's website [at https://venturaharbor.com](https://venturaharbor.com), under ~~Port District Business—Transparency Reports. (<https://venturaharbor.com/transparency-reports-2/>)~~

If you are unable to locate a certain policy, please contact the District Clerk.

Ventura Port District Policies for reference:

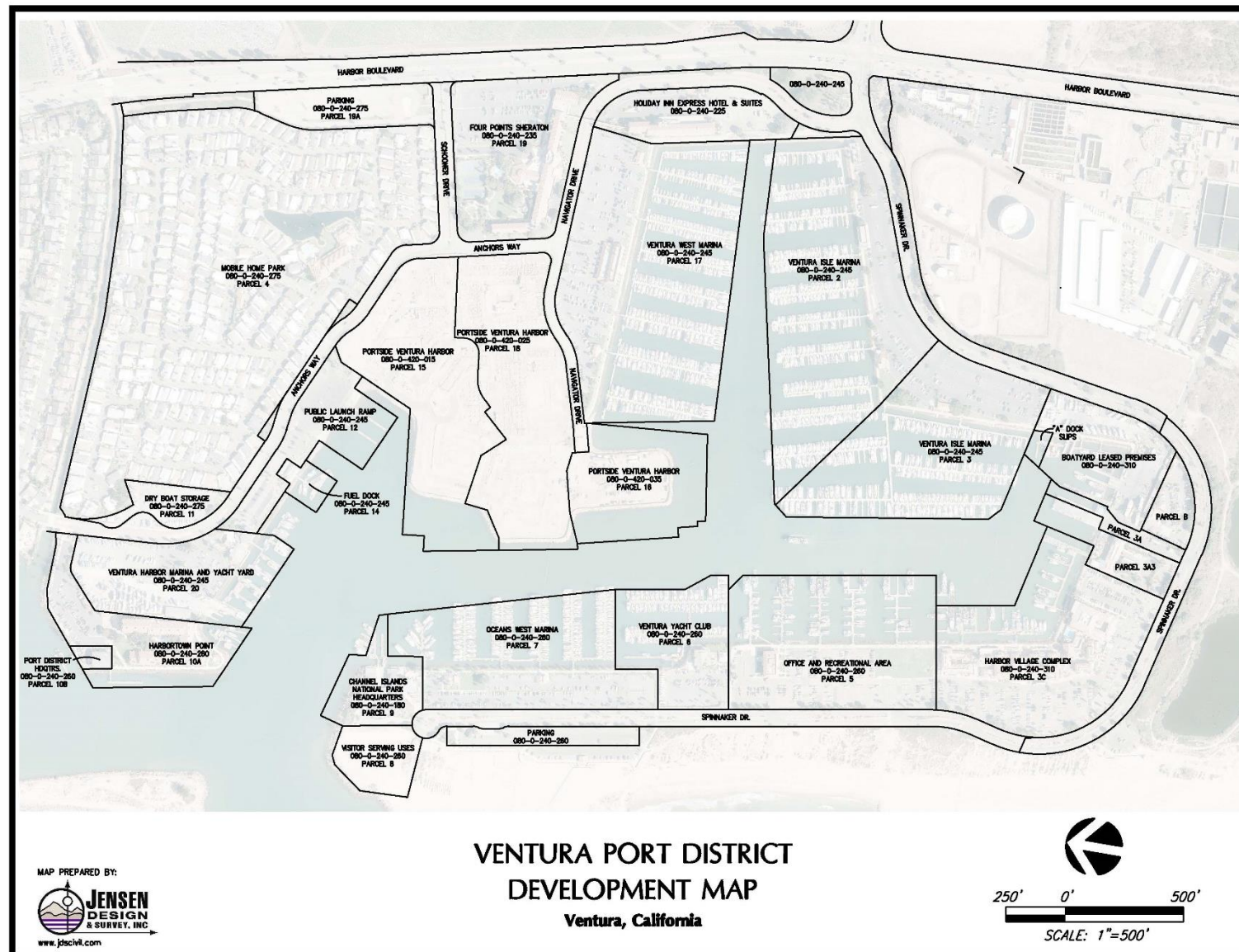
- Records Retention Policy
- Lease Negotiation and Administrative Policy
- Slip Rate Policy
- Reserve Policy
- Investment Policy
- Master Lease/Option Negotiation Administration Policy
- Expense Reimbursement Policy for Commissioners
- District Conflict of Interest Code
- Expense Reimbursement Policy for Employees
- California Public Records Act Policy and Procedures
- Sale of Surplus Personal Property
- Ventura Port District Human Resources Manual
- Art Donation Policy
- California Uniform Construction Cost Accounting Policies & Procedures

## APPENDIX 1 – LAFCO SPHERE OF INFLUENCE MAP





## APPENDIX 2 – DISTRICT PARCEL MAP



J:\VPD14558\Survey\Exhibits\4558 Property Exhibit 2019-08-26.dwg Aug 28, 2019, 12:08pm mjjones

## **APPENDIX 3**

### **Harbors and Navigation Code**

#### **General Provisions**

6200. "District," as used in this part, refers to any port district formed pursuant to this part.

6201. "Board," as used in this part, means the board of port commissioners described in Chapter 2 (commencing with Section 6240).

6202. This part does not repeal, modify or otherwise affect the provisions of any other law relating to port or harbor districts, and no other law providing for the creation of port or harbor districts repeals, modifies or otherwise affects this part or any of its provisions.

6203. Any property owned by any city which is used or held for the purpose of aiding or developing navigation, commerce or fishing may be transferred to the district to be used for the same purposes, and any lands of the State which may have been transferred to any such city may be transferred to the district subject to the trusts and other provisions for the transfer of the lands from the State to the city. A city which is governed by a freeholders charter may only transfer or turn over property if authorized by the provisions of its charter or an amendment thereof.

6204. If any land under a navigable stream is by virtue of any work or improvement by the United States or the State, freed from the easement of navigation and fishing, it reverts to the district, to be used for the purposes for which the district was organized. But if any land is not used or held for such purposes, it reverts to the State.

6205. If the district is dissolved, lands which were granted to it by a municipal corporation revert to that municipal corporation.

#### **Formation**

6210. A district may be organized pursuant to this part. It shall include one municipal corporation and any contiguous unincorporated territory in any one county but a municipal corporation shall not be divided in the formation of a district.

Territory which may be annexed to a municipal corporation, which is in a district, is by virtue of the annexation a part of the district.

6211. The formation of a district is initiated by a petition presented at a regular meeting of the board of supervisors of the county in which the proposed district is situated.

The petition shall be signed by a number of registered voters, residing within the proposed district, equal to not less than five per cent of the number of registered voters, residing in the district, who voted at the last preceding general State election at which a Governor was elected. The petition may consist of any number of instruments.

6212. The petition shall state the name of the proposed district, and describe the proposed boundaries and it shall pray that the territory included be created a district pursuant to this part.

6213. Upon presentation, the petition shall be filed with the clerk of the board of supervisors, and upon filing, or at its next regular meeting, the board of supervisors shall fix a time for hearing it, which shall not be less than thirty nor more than sixty days from the date of filing.

6214. A notice of the time and place of the hearing of the petition, including a copy of the petition, excepting the names thereon, shall be published at least four times in a newspaper of general circulation published in the territory included within the proposed district, and in case no such newspaper is published in the territory, then in a newspaper published in the county in which the proposed district is situated.

6215. At the hearing of the petition, the board of supervisors shall hear those appearing in support, and all protests or objections. The hearing may be adjourned from time to time, not exceeding sixty days in all.

6215.5. If the board of supervisors finds that protests have been made, prior to its final determination for formation of the district, by the owners of real property within the proposed district the assessed value of which, as shown by the last equalized assessment roll, constitutes more than one-half of the total assessed value of the real property within the proposed district, the proceeding shall terminate. The board of supervisors shall order the proceeding terminated when such protests are received.

6216. The board of supervisors may make such changes in the proposed boundaries of the district as are advisable, and it shall define and establish the boundaries.

If the board of supervisors deems it proper to include any territory not included within the boundaries proposed in the petition, it shall first give notice of its intention so to do, by publication of notice in a newspaper published in the county in which the district is located, for two times. The hearing on a proposed inclusion of additional territory shall not be continued beyond sixty days after the board determines to give notice of its intention to increase the boundaries. Within ten days of the final hearing of the matter, the board of supervisors shall make its order fixing the boundaries of the district.

6217. The boundaries of any district shall be fixed by the board of supervisors so as not to include more than fifty square miles of unincorporated territory. This area shall have a frontage upon the waterway which it is contemplated will be improved, and the board of supervisors shall only include within the boundaries land which will be benefited by the creation and operation of the district.

6218. At the time of making its order fixing the boundaries of the district the board of supervisors shall call an election to determine whether the proposed district shall be organized.

A defect in the contents of the petition or in the title to or in the form or publication of the notice shall not vitiate any proceedings thereon, if the petition has a sufficient number of qualified signatures.

6230. An election shall be held within 130 days of the call, to determine whether the district shall be organized. The election shall be conducted in conformity with the general election laws. At the election the proposition shall be placed on the ballot, permitting each voter to vote "yes" or "no."

6231. The board of supervisors shall canvass the results of the election and if a majority of those voting have voted "yes" the proposition is carried, and the board of supervisors shall certify the result to the Secretary of State, who shall file it. From and after the filing of the certificate by the Secretary of State, the district is in existence.

6232. A certified copy of the certificate filed with the Secretary of State, shall be recorded in the office of the county recorder in the county in which the district is situated.



6233. Any informality in procedure or in the conduct of the election shall not invalidate the establishment of the district.

Any proceedings in which the validity of its establishment is denied shall be commenced within sixty days after the date of filing in the office of the Secretary of State of the certificate mentioned in this article. Otherwise, the establishment and legal existence of the district and all proceedings in respect thereto are valid in every respect and incontestable.

### **Board of Port Commissioners**

6240. The district shall be governed by a board of port commissioners. The board consists of five members. Two of the commissioners shall be appointed by the board of supervisors of the county in which the district is located. Two of the commissioners shall be appointed by the city council of the municipal corporation situated in the district. The board of supervisors, together with five members of the city council, appointed by the mayor of the municipality in the district constitute a board of election to appoint the other commissioner. This commissioner shall be chairman of the board. A majority vote is necessary for the appointment of the chairman of the board. An auditor shall be appointed by the board of port commissioners and approved by the board of supervisors and the city council.

6241. These appointments shall be made within thirty days after the formation of the district.

6241.1. Port districts in Ventura County shall be governed by a board of port commissioners consisting of five members appointed by the mayor of the municipal corporation in the district, with the approval of the city council.

The chairperson of the board shall be elected by the commissioners for a term of two years. An auditor shall be appointed by the board with the approval of the city council.

After a public hearing, the city council may remove commissioners from office during their term for cause by a vote of not less than five members of the city council.

6242. A vacancy on the board shall be filled by the body which appointed the commissioner whose office is vacated, and the new appointee shall hold his office for the unexpired term.

6243. Each commissioner shall, within ten days after his appointment and before entering upon the discharge of the duties of his office, take and subscribe to an oath or affirmation before an officer authorized by law to administer oaths, that he will support the Constitution of the United States and the Constitution of the State of California, and will faithfully discharge the duties of his office according to the best of his ability. The oaths or affirmations shall be filed in the office of the district.

6244. A person shall not be appointed a member of the board unless he is, at the time of his appointment, a taxpayer within the district and has resided within the district for at least one year.

6245. The term of office of each commissioner is four years from the time of his appointment, except that the chairman first appointed shall hold office for two years, and the remaining commissioners first appointed to the board shall classify themselves by lot, so that they hold office respectively for one, two, three, and four years.

6246. The chairman is the presiding officer of the board and he shall vote on propositions passed upon by the board.

6247. The first meeting of the board shall be held within ten days of the appointment of its chairman. The board may make its own rules of procedure and determine the place and time of its meeting.

6248. The board shall select one of its members vice chairman, who shall preside in the absence of the chairman.

The board shall provide for and select such officers, except the auditor, as it deems necessary to conduct the affairs of the district.

6249. The board may prescribe rules and regulations pertaining to the selection of officers and employees of the district, other than the auditor. It shall also fix the salary or wages of all officers and employees of the district. The term of each officer appointed by the board shall be during the pleasure of the board.

The board may adopt and carry into effect a contract or contracts of group insurance or a system of group annuities or both for the benefit of such of the officers and employees of the district as accept the same and who have authorized the board to make deductions from their compensation for the payment of a portion of the premium thereon. Contracts of group insurance or systems of group annuities which include benefits to dependents of officers and employees are contracts of group insurance or systems of group annuities for the benefit of officers and employees for the purpose of this section.

The board may make such deductions and may pay the remainder of such premiums from any funds of the district not required to be devoted to a specific purpose. The board may pay such portion of the premiums thereon or attributable thereto as it determines to be advisable. The board may arrange or contract for a contract or contracts of group insurance or a system of group annuities or both with any public agency or any insurance company or agent authorized by or pursuant to law to transact such business within this State.

6250. A corporation may be selected as treasurer or the board may provide that the duties of the treasurer shall be performed by the county treasurer of the county in which the district is located, or by the city treasurer of the city within the district.

6251. The commissioners shall serve without salary or compensation.

6252. The auditor of the district shall hold office during the pleasure of the board of election, and it shall fix his salary and require him to file a bond for the faithful performance of his duties in such amount as it may determine. The bonds shall be filed in the office of the board.

6253. The mayor of the city within the district, or the chairman of the board of supervisors of the county in which the district is located, may call meetings of the board of election.

6254. The fiscal year of any district shall begin on the first day of July of each year and shall end on the thirtieth day of June in the following year, unless otherwise fixed with the consent of the board of supervisors of the county in which the district is located.

6255. The board shall annually file a report of the affairs and financial condition of the district for the preceding year. This report shall show the sources of all receipts and purposes of all disbursements during the year.

6270. The powers of a district established pursuant to this part shall be exercised by the board, by ordinance or resolution passed by a majority vote of the board. All ordinances shall be published in a newspaper of general circulation, printed or published in the county in which the district is situated, at least once before final passage.

Franchises and leases for a period of more than ten years shall not be valid, unless authorized by ordinance.

6271. A grant of a franchise or lease of property of the district shall not be made for a longer period than 50 years.

6272. A district may destroy a record pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code.

6273. The district may itself, without letting contracts therefor, do work and make improvements. The work shall be done under the direction of its officers or employees.

6275. An officer of the district, and any of its employees, shall not be interested, directly or indirectly, in any contract or transaction with the district; or become surety for the performance of any contract made with or for the district, upon bonds given to the district.

An officer or employee of the district shall not receive any commission or thing of value, or derive any profit, benefit, or advantage, directly or indirectly, from or by reason of any dealings with or service for the district by himself or others, except as lawful compensation as such officer or employee.

The violation of the provisions of this section by an officer or employee works a forfeiture of his office or employment.

6276. (a) In lieu of the benefits afforded pursuant to Division 4 (commencing with Section 3200) and Division 4.7 (commencing with Section 6200) of the Labor Code, the district may agree to provide workers' compensation benefits to its stevedore employees in amounts, and under such conditions, as would be payable to stevedore employees of private employers pursuant to the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901, et seq.).

(b) Such an agreement shall be binding upon the parties only if it is in writing and signed by the employee and by a representative of the district. It shall acknowledge, in writing, that the benefits agreed upon are authorized by this section and are expressly in lieu of any benefits available under Division 4 (commencing with Section 3200) and Division 4.7 (commencing with Section 6200) of the Labor Code.

(c) All claims for benefits against the district which are authorized by this section shall be determined pursuant to law and the rules and regulations of the Workers' Compensation Appeals Board.

To the fullest extent possible, the Workers' Compensation Appeals Board shall attempt to apply the Longshoremen's and Harbor Workers' Compensation Act to employees covered by this section in the same manner as applicable to private employees.

(d) Notwithstanding the provisions of Sections 11779 and 11870 of the Insurance Code or any other provision of law, the State Compensation Insurance Fund or any private insurer may provide insurance coverage for the benefits authorized by this section.

### **District Powers**

6290. A district created under this part is a public corporation created for municipal purposes.

6291. It has perpetual succession.

6292. It may sue and be sued.

6293. It may adopt a seal.

6294. It may take by grant, purchase, gift, devise or lease or otherwise acquire and hold and enjoy, and lease or dispose of, real and personal property of every kind, within or without the district, necessary to the full or convenient exercise of its powers.

6295. A district may acquire, purchase, takeover, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, towage facilities, and any and all other facilities, aids, or public personnel, incident to, or necessary for, the operation and development of ports, waterways, and the district.

6296. It may exercise the right of eminent domain to take any property necessary to carry out any of the objects or purposes of the district.

6297. It may incur indebtedness and issue bonds or other evidence of indebtedness for its purposes.

If any bonds issued for port improvement purposes by any part of a district prior to its creation are refunded, the refunding bonds are a lien only upon the lands upon which the original bonds were a lien at the time of the creation of the district.

6298. It may levy and collect or cause to be levied or collected taxes as in this part provided.

6299. It has exclusive jurisdiction over, and it may provide for and supervise pilots and the pilotage of sea-going vessels from the end of jurisdiction of existing pilot authorities to points lying upon any navigable waterway project of the United States, entering the district.

6300. It may contribute money to the Federal or the State Government or to the county in which it is located or to any city within the district, for the purpose of defraying the whole or a portion of the cost and expenses of work and improvement to be performed, either within or without the territorial limits of the district, by the Federal, State, county or city government, in improving rivers, streams, or in doing other work, when such work will improve navigation and commerce, in or to the navigable waters in the district.

6301. A district may do any work or make any improvement within or without the territorial limits of the district, which will aid in the development or the improvement of navigation or commerce to or within the district.

6302. A district may enact necessary police regulations providing for control of any waterway project of the United States, entering the district, and adopt rules and regulations concerning the construction of wharves, docks, buildings, and improvements of all types, contemplated.

6303. A district may provide for the opening and laying out of streets leading to the waterfront.

6304. A district may regulate and control the construction, maintenance, and operation or use of all wharves, warehouses, structures, improvements, or appliances used in connection with or for the accommodation and promotion of transportation or navigation on any improvement project of the federal government applying to the main waterway entering the district and on other navigable streams improved or unimproved which lie within the district, and it may make and enforce necessary police and sanitary regulations in connection therewith.

6304.1. Notwithstanding any other provision of law, any port district which has received, or is receiving, money pursuant to the provisions of Division 1 (commencing with Section 30) for the construction or improvement of a small craft harbor or facilities in connection therewith, may enter

into a lease of any portion of its land and water area which has been freed from the public trust for commerce, navigation, or fisheries for the development of marine-oriented apartments and townhouses. Such lease may authorize the lessee to sublet individual dwelling units, but such lease shall not exceed a term of 50 years, after which time any improvements constructed pursuant to the lease shall revert to the district. Land rental units constructed pursuant to such lease shall be available to all persons on equal and reasonable terms. Any such lease shall contain express provisions requiring the lessee to provide for reasonable public access across the leased lands to adjacent port water areas.

Nothing in this section shall be construed to allow the use of tide or submerged lands in any manner inconsistent with the California Constitution or with the public trust for commerce, navigation, or fisheries.

Any lease of real property so freed from the public trust which is proposed to be let under the provisions of this section shall first be submitted to the State Lands Commission and to the Attorney General for review and approval, and no such lease shall be let unless the State Lands Commission and the Attorney General find that the proposed lease would be in the public interest and would not be in violation of any provision of the California Constitution or of any term of a grant of tidelands or submerged lands and would not be inconsistent with the public trust for commerce, navigation, or fisheries.

6305. It may fix, regulate and collect the rates or charges for the use of wharves, warehouses, vessels, railroads and other facilities, structures and appliances owned, controlled or operated by it, in connection with or for the promotion and accommodation of transportation or navigation, and it may also fix, regulate and collect the rates or charges for pilotage and towage.

6306. It may lay out, plan and establish the general plan and system of harbor and harbor district improvements and modify the plan and prescribe the specifications for such improvements.

6307. It may perform the functions of warehousemen, stevedores, lighterers, reconditioners, shippers and reshippers of properties of all kinds.

6308. It may manage the business of the district and promote the maritime and commercial interests by proper advertisement of its advantages, and by the solicitation of business, within or without the district, within other States or in foreign countries, through such employees and agencies as are expedient.

6309. Except as otherwise provided in Section 660, the board may adopt all ordinances necessary for the regulation of the district with respect to the parking of vehicles, the speed and operation on vehicles and vessels, berthing of vessels, fire safety ashore and afloat, prohibiting the pumping of raw sewage or waste into port waters, and littering.

6309.2. Before any ordinance may be adopted, the ordinance shall be published in its entirety on three separate occasions in a newspaper of general circulation published within the district, or if none, in any newspaper of general circulation published in the county in which the district, or a part thereof, is located, together with a notice of the date on which the board will meet for the purpose of adopting the ordinance. The first publication shall occur at least 20 days prior to the date of such meeting, and the second and third publications shall occur at seven-day intervals. The general public shall be allowed to appear at the meeting and be heard on the proposed ordinance. The ordinance shall become effective as provided in Section 9141 of the Elections Code, unless another effective date is set forth by the board.

6309.4. Every person who violates any of the provisions of a district ordinance adopted pursuant to Sections 6309 and 6309.2 is guilty of an infraction and shall be subject to a fine not to exceed one hundred dollars (\$100).

6309.6. The district's manager, harbormaster or wharfinger, or any duly authorized representative of one of these persons, shall have the power to issue citations for violation of district ordinances in the manner provided by Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.

6310. Notwithstanding the enumeration and specific statement herein of particular powers, the district may do and perform all acts and things necessary and appropriate to carry out the purposes of this part and the powers of the district.

6311. Upon a four-fifths vote of all the members of the board, it may issue negotiable promissory notes bearing interest at a rate of not exceeding 7 percent per annum; provided, however, that said notes shall be payable from revenues and taxes levied for purposes of the district other than the payment of principal and interest on any bonded debt of the district; and provided further, that the maturity shall not be later than 20 years from the date thereof and that the total aggregate amount of such notes outstanding at any one time shall not exceed 1 percent of the assessed valuation of the taxable property in the district, or if said assessed valuation is not obtainable, 1 percent of the county auditor's estimate of the assessed valuation of the taxable property in the district evidenced by his certificate.

## **Bonds**

6330. A district may create a bonded debt pursuant to Article 1 (commencing with Section 43600) of Chapter 4 of Division 4 of Title 4 of the Government Code. Bonds may be issued for the purpose of raising money for use in carrying out any of the powers and purposes of the district.

6331. Bonds issued by any district pursuant to this part are legal investments for all trust funds, and for the funds of all insurers, banks, both commercial and savings, and trust companies, and for the State school funds, and whenever any money or funds may, by law now or hereafter enacted, be invested in bonds of cities, cities and counties, counties, school districts or municipalities in this State, such money or funds may be invested in bonds of districts organized pursuant to this part.

6340. Pursuant to this article a district may create a revenue bond indebtedness for the acquisition and construction, or acquisition or construction of any improvements or property or facilities contained within its powers.

6341. The issuance of said bonds shall be authorized by ordinance adopted by two-thirds of all the members of the board, to take effect upon its publication.

6342. The secretary shall publish said ordinance once in a newspaper of general circulation printed in said district, and if there is none, then in such newspaper published in the county in which said district is located.

6343. Said ordinance shall specify the total amount, denomination, method of maturity, and the rate or maximum rate of interest of said bonds, and in general terms, the acquisitions and improvements to be constructed thereby; and, in addition, shall contain such other and further provisions as in the judgment of the board are deemed advisable.



6344. The proceeds of said bonds shall be placed in an account in the treasury of the district to be entitled \_\_\_\_ Port District Revenue Construction Fund No. \_\_\_\_ and used exclusively for the objects and purposes mentioned in the ordinance.

6345. The lien of said bonds of the same issue shall be prior and superior to all revenue bonds subsequently issued.

6346. Proceedings for the issuance of said bonds shall be had, the board shall have such powers and duties, and the bondholders shall have such rights and remedies, all in substantial accordance with and with like legal effect as provided in Sections 54344 to 54346, inclusive, 54347, 54348, 54350, 54351, 54352, and in Articles 4 (commencing at Section 54400) to 11 (commencing at Section 54660), inclusive, of Chapter 6, Part 1, Division 2, Title 5 of the Government Code. As used therein the word "resolution" shall mean ordinance, the word "local agency" shall mean district, and the words "legislative body" shall mean board.

6355. Whenever, upon the creation of a district any municipality therein or any county in which the district is located which has theretofore authorized or incurred a bonded indebtedness for any work or improvement for which the district may incur a bonded debt pursuant to this part, and such municipality or such county thereafter sells such bonds or any portion thereof, the proceeds of the sale may, upon the order of the appropriate board of supervisors or city council, be paid by the custodian into the treasury of the district and shall be applied by the board, exclusively to the purposes and objects for which the bonds were authorized by the municipal corporation or the county issuing them.

### **Finances and Taxation**

6360. On or before June first of each year, the port director shall submit to the board a detailed statement of the money required for the ensuing fiscal year for the purpose of conducting the business of the district. There shall be submitted with such estimate, such data and schedules as the board may require.

6361. Annually, on or before the date set for the consideration of the budget by the board of supervisors of the county in which the district is located, the board of each district shall furnish to the board of supervisors of the county in which the district is situated, an estimate in writing of the amount of money needed for all purposes by the district during the ensuing fiscal year. Thereupon, it is the duty of the board of supervisors to levy a special tax, on all taxable property of the county lying within the district, sufficient in amount to raise that sum.

6362. The tax shall in no event exceed the rate of ten cents (\$0.10) on each one hundred dollars (\$100) of the assessed value of all taxable property within the district, exclusive of the amount necessary to be raised by taxes to meet bond and promissory note interest and redemption. The tax shall be computed, entered upon the tax rolls and collected in the same manner as county taxes are computed, entered and collected. All money collected shall be paid into the county treasury to the credit of the particular district fund and shall be paid to the treasurer of the district upon the order of the board of port commissioners.

6363. From the time of the organization of any district until the next succeeding July first, the district may incur indebtedness for the purpose of operating the port and in the first tax levy, the rate shall be in an amount sufficient to operate the port for the first full fiscal year as well as to pay the obligations thus incurred before the first of the July succeeding the creation of the district.



6364. A district may impose a special tax pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. The special taxes shall be applied uniformly to all taxpayers or all real property within the district, except that unimproved property may be taxed at a lower rate than improved property.

6365. (a) The district may, in any year, levy assessments, reassessments, or special taxes and issue bonds to finance waterway construction projects and related operations and maintenance, or operations and maintenance projects independent of construction projects in accordance with, and pursuant to, the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code), the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code), the Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703) of the Government Code), the Integrated Financing District Act (Chapter 1.5 (commencing with Section 53175) of Division 2 of Title 5 of the Government Code), the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code), and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code).

(b) Sections 5116, 5117, 5118, 5119, 5190, 5191, 5192, 5193, 10104, and 10302 of the Streets and Highways Code shall not apply to assessment proceedings undertaken pursuant to this section.

(c) Notwithstanding the related provisions of any assessment act which the district is authorized to use, any assessment diagram which any of those acts requires to be prepared prior to final approval of the assessment district may show only the exterior boundaries of the assessment district and the boundaries of any assessment zones or improvement areas within the district. The diagram may refer to the county assessor's maps and records for a detailed description of each lot or parcel.

(d) Notwithstanding any other provision of law, the district may levy and collect assessments and reassessments in the same manner as provided in Article 3 (commencing with Section 51320) of Chapter 2 of

Part 7 of Division 15 of the Water Code, to pay any or all of the following:

(1) For the operation and maintenance of projects, including maintenance of lands, easements, rights-of-way, dredge material disposal areas, and remediation.

(2) For the satisfaction of liabilities arising from projects.

(3) To accumulate a fund which may be used to advance the cost of district projects, provided that the advances be repaid, with interest as determined by the commissioners, from assessments, reassessments, special taxes, or fees charged by the district pursuant to this section.

(4) To acquire real property, easements, or rights-of-way for a navigation project or the maintenance of a navigation project.

(5) To acquire real property within the district for disposal of dredged material.

(e) For purposes of this section, functions designated by Article 3 (commencing with Section 51320) of Chapter 2 of Part 7 of Division 15 of the Water Code to be performed by the board of supervisors, the board of trustees, or valuation commissioners shall be performed by the district's board.

(f) For purposes of this section, the board may order the creation of a separate assessment roll to pay the allowable expenses of any single project or any group or system of projects.

(g) Notwithstanding any other provision of law, all assessments, reassessments, and taxes levied by the district may be collected together with, and not separately from, taxes for county purposes.

Any county in which the district is located may collect, at the request of the district, all assessments, reassessments, and special taxes levied by the district and shall cause those revenues to be deposited into the county treasury to the credit of the district.

Each county may deduct its reasonable collection and administrative costs.

(h) Notwithstanding any other provision of law, any assessment or reassessment levied pursuant to this section may be apportioned on the basis of land use category, tonnage shipped on the waterway, size and type of vessel using the waterway, front footage, acreage, capital improvements, or other reasonable basis, separately or in combination, as determined by the district commissioners.

(i) Notwithstanding any other provision of law, Division 4 (commencing with Section 2800) of the Streets and Highways Code shall not apply to any assessment levied by the district.

(j) Notwithstanding any other provision of law, no bond issued pursuant to this section shall be used to fund the routine maintenance dredging of channels.

6370. All claims for money or damages against the district are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code except as provided therein, or by other statutes or regulations expressly applicable thereto. All claims not governed thereby shall be filed with the auditor on forms and blanks prescribed by him. A claim shall not be paid without the endorsement of the auditor certifying to its correctness.

The auditor shall keep a record, which shall be a public record, of all claims against the district showing by whom made, for what purpose, the amount thereof and when paid.

6371. If there is not sufficient money in any fund to pay the demands made against it, the demand shall be registered in a book kept by the treasurer, showing its number, when presented, date, amount, name of payee, and on what account allowed and out of what fund payable, and when so registered, the demand shall be returned to the person presenting it with the endorsement of the word "Registered" dated and signed by the treasurer. All registered demands are payable in the order of their registration.

This section does not prevent the payment by the treasurer of bonds of the district or of any city or county, and interest coupons thereof, in accordance with the Constitution of this State and the provisions of this part authorizing the issuance and payment of such bonds.

6372. Wages and salaries shall be paid at such intervals as the board may direct, but at least once each month.



**RESOLUTION NO. 3471**  
**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF VENTURA PORT**  
**DISTRICT UPDATING THE BOARD OF PORT COMMISSIONERS PROTOCOLS AND**  
**POLICIES MANUAL**

WHEREAS, the adoption of written guidelines regarding the conduct of public business by elected and appointed officials provides a sound foundation on which to build public trust and confidence.

WHEREAS, the proper operation of the Ventura Port District requires that decisions and policies be made within the proper channels of governmental structure, that public office not be for personal gain, and that the Board of Port Commissioners remains objective and responsive to the needs of the public and business owners they serve.

WHEREAS, the purpose of the Board of Port Commissioners Manual is to set forth protocols and policies that govern the conduct of business of and by the Ventura Port District and meetings of the Board of Port Commissioners.

WHEREAS, the intent of the Board of Port Commissioners Protocols and Policy Manual is to ensure uniformity of procedure, access to the public, fairness to the public and interested parties, and compliance with legal requirements in all designated matters heard and determined by the Board of Port Commissioners.

WHEREAS, on March 25, 2015, the Board of Port Commissioners passed, approved, and adopted at a Regular Meeting Resolution No. 3271, wherein the Board adopted the Board of Port Commissioners Protocols and Policies Manual.

WHEREAS, on July 27, 2016, the Board of Port Commissioners adopted Resolution No 3315 to amend the existing manual and rescind Resolution No. 3271.

WHEREAS, on December 12, 2018, the Board of Port Commissioners updated the manual to reflect changes in the annual meeting schedule.

WHEREAS, on January 20, 2020, the Board of Port Commissioners updated the manual to clarify, restate and add new information.

WHEREAS, the Board has determined that it is in the best interest of the District to update the existing manual as set forth in Exhibit A and rescind Resolution No. 3422.

ATTACHMENT 2

NOW, THERFORE, BE IT RESOLVED, that the Board of Port Commissioners of the Ventura Port District hereby rescinds Resolution No. 3422, which was previously passed, approved and adopted by the Board on July 21, 2021, and approves and adopts this Resolution No. 3471, amending the Board of Port Commissioners Protocols and Policies Manual.

PASSED, APPROVED AND ADOPTED by the Board of Port Commissioners, this 19<sup>th</sup> day of April 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

---

Michael Blumenberg, Chair

ATTEST:

---

Anthony Rainey, Secretary

# **BOARD OF PORT COMMISSIONERS**

## **PROTOCOLS AND POLICIES**

### **MANUAL**



**VENTURA  
PORT DISTRICT**

*Established 1952*

**Adopted March 25, 2015**

**Updated**

**July 27, 2016**

**December 12, 2018**

**January 22, 2020**

**July 21, 2021**

**April 19, 2023**

**TABLE OF CONTENTS**

<b>Section</b>		<b>Page</b>
<b>1.0</b>	<b>INTRODUCTION</b>	<b>1</b>
	1.1 Purpose and Intent of Handbook	1
	1.2 Ventura Port District Description	1
	1.3 Ventura Port District Mission Statement	1
	1.4 Ventura Port District Guiding Principles and 5-Year Objectives	2
<b>2.0</b>	<b>GOVERNING BODY</b>	<b>3</b>
	2.1 Board of Port Commissioners	3
	2.2 Term of Office	3
	2.3 Election of Officers	3
	2.4 Role of Chair	3
	2.5 Role of Vice-Chair	3
	2.6 Role of Secretary	3
<b>3.0</b>	<b>RESPONSIBILITIES AND CONDUCT OF COMMISSIONERS</b>	<b>4</b>
	3.1 Board Principles	4
	3.2 Procedure for Responding to Breaches of the Board Principles	4
	3.3 Oath of Office	5
	3.4 Conflict of Interest	5
	3.5 Ethics Training	5
	3.6 New Commissioner Orientation	5
	3.7 Social Media	5
	3.8 Cellphone Usage during Meetings	6
<b>4.0</b>	<b>TRAININGS AND CONFERENCES</b>	<b>7</b>
	4.1 New Board Member Training	7
	4.2 Expense Reimbursement Policy for Commissioners	7
<b>5.0</b>	<b>COMMISSIONER INTERACTIONS</b>	<b>8</b>
	5.1 Commissioner/Clerk of the Board	8
	5.2 Commissioner/Staff	8
	5.3 Commissioner/Port District Tenant	8
	5.4 Commissioner/Legal Counsel	8
	5.5 Commissioner and Staff Visibility to the Public	8
	5.6 Commissioner Representation as a Commissioner at Public Engagements	8
	5.7 Commissioner Participation as Interested Party at Community Events	9
<b>6.0</b>	<b>DISTRICT OFFICERS</b>	<b>10</b>
	6.1 General Manager	10
	6.2 General Counsel	10
<b>7.0</b>	<b>PORT COMMISSION MEETINGS</b>	<b>11</b>
	7.1 Meeting Location	11
	7.2 Compliance with the Brown Act	11
	7.3 Regular Meetings	11
	7.4 Special Meetings	11
	7.5 Emergency Meetings	11
	7.6 Cancelled Meetings	11
	7.7 Adjourned Meetings	12
	7.8 Teleconferenced Meetings	12
	7.9 Closed Sessions	12
	7.10 Sub-committees	13
	7.11 Board Liaisons	13
	7.12 Quorum and Voting	13
	7.12.1 Attending Meetings of Other Public Agencies, Conferences, Etc.	14
	7.12.2 Social Gatherings	14
	7.12.3 Email, Texting, Instant Messages, and Other Electronic Communication	14
	7.13 Commissioner Absences	14

## ATTACHMENT 2

7.14	Attendance by the Public	14
7.14.1	Public Communication – Verbal and Written	14
7.15	Agendas	15
7.16	Minutes and Recordings	15
<b>8.0</b>	<b>ORDER OF BUSINESS</b>	<b>16</b>
<b>9.0</b>	<b>POLICIES ADOPTED BY THE PORT COMMISSION</b>	<b>18</b>
	<b>APPENDIX 1 – LAFCo Sphere of Influence Map</b>	<b>19</b>
	<b>APPENDIX 2 – District Parcel Map</b>	<b>20</b>
	<b>APPENDIX 3 – Harbors and Navigation Code Sections</b>	<b>21</b>



## 1.0 INTRODUCTION

### 1.1 Purpose and Intent

The adoption of written guidelines regarding the conduct of public officials provides a sound foundation on which to build public trust and confidence. The proper operation of the Ventura Port District (“District”) requires that decisions and policies be made within the proper channels of governmental structure, that public office not be for personal gain, and that the Board of Port Commissioners (“Board” or “Commissioner”) remains objective and responsive to the needs of the public and business owners they serve. The purpose of this manual is to set forth protocols and policies that govern the conduct of Board meetings and other District business. The intent of this manual is to ensure uniformity of procedure, access to the public, fairness to the public and interested parties, and compliance with legal requirements in all designated matters heard by the Board.

### 1.2 District Description

The District was established on April 8, 1952, by an election and majority vote of the citizens of the City of Ventura. On April 15, 1952, the Board of Supervisors of Ventura County, ordered formation of the District pursuant to the Harbors and Navigation Code of the State of California.

The District was organized for the purpose of acquiring, constructing and operating a commercial and recreational boat harbor within the City of Ventura. The District’s legal boundaries encompass all of the City of Ventura as well as some small areas outside the City limits.

The District is the owner and operator of the Ventura Harbor. The Ventura Harbor is a 274-acre multiple use recreational and commercial fishing small craft harbor. Other than the 2.74-acre site owned by the Department of Interior, National Park Service, the District is the sole landowner within the Harbor. The District’s current property holdings include approximately 152 acres of land and 122 acres of water area. The Harbor was initially developed in the early 1960’s and still has approximately 3.74 acres of land area available for development.

APPENDIX 1 illustrates the Ventura Port Districts Sphere of Influence approved by LAFCo.

APPENDIX 2 illustrates the Ventura Port District parcel map.

The official address and principal place of business of the District is:

VENTURA PORT DISTRICT  
1603 Anchors Way Drive  
Ventura, CA 93001  
(805) 642-8538; Fax (805) 658-2249

### 1.3 Ventura Port District Mission Statement

The Ventura Port District, home to the Channel Islands National Park, is committed to providing a safe and navigable harbor and a seaside destination with exceptional facilities, events and services that benefits residents, visitors, fishermen and boaters.

#### **1.4 Ventura Port District Guiding Principles and 5-Year Objectives**

In its continuing effort to fulfill its mission and provide engaged, accountable, and effective government, the District established Guiding Principles and 5-Year Objectives to guide its Commission and staff. These were adopted by the Board on April 6, 2022 and can be found on the District's website at <https://venturaharbor.com/mission-vision/>.

## **2.0 GOVERNING BODY**

### **2.1 Board of Port Commissioners**

The Board of Port Commissioners consists of five members appointed by the mayor and City Council of Ventura, who shall govern the Ventura Port District.

Commissioners shall not be appointed to the Board of Port Commissioners unless they are, at the time of appointment, a taxpayer within the District and have resided within the District for at least one year. (H&N Code Section 6244)

### **2.2 Terms of Office**

Commissioners will serve a term of office of four years from the time of appointment. (H&N Code Section 6245) If a Commissioner resigns in the middle of their term, a new Commissioner will be appointed to finish out that term, which could be one, two or three years. (H&N Code Section 6242) Every officer whose term has expired shall continue to discharge the duties of his/her office until his/her successor has been appointed. (Gov't Code Section 1302)

### **2.3 Election of Officers**

At one of its January meetings, every two years, the Board shall elect from its membership a Chairman, Vice-Chairman and Secretary. (H&N Code Section 6241.1)

### **2.4 Role of Chair**

The Chair of the Board is to be elected by the Board of Port Commissioners for a term of two years. (H&N Code Section 6241.1) The Chair shall have the authority to preserve order at all Board meetings, to remove any person from any meeting for disorderly conduct, to enforce the rules of the Board and to determine the order of business.

The Chair shall have the authority to prevent the misuse of motions, or the abuse of any privilege, or obstruction of the business of the Board by ruling any such matter out of order. In so ruling, the Chair shall be courteous and fair and should presume that the moving party is acting in good faith.

The Chair shall attend an agenda review meeting with the General Manager before each Board Meeting either in person or by phone.

### **2.5 Role of Vice-Chair**

In the absence of the Chair or his/her inability to act, the Vice-Chair shall preside at all meetings. The Vice Chair shall attend an agenda review meeting with the General Manager and Chair before each Board Meeting either in person or by phone.

### **2.6 Role of Secretary**

The Secretary ensures the Commission adheres to all adopted policies and must attest and sign all approved minutes, resolutions, and other official documents.

### 3.0 RESPONSIBILITIES AND CONDUCT OF COMMISSIONERS

#### 3.1 Board Principles

The Board of Port Commissioners recognizes its actions affect the District's ability to fulfill its mission. Listed below are practices deemed essential for the Board to positively affect the District's ability to operate efficiently and effectively. To that end, the members of the Board of Port Commissioners affirm their commitment to act in accordance with the following practices:

1. Act in accordance with the District's Mission.
2. Maintain a high level of integrity and follow through with all commitments, especially with other government agencies.
3. Work only as a Board, with no independent, tangential, or hidden agendas.
4. Always strive for consensus, remembering unanimity is not required.
5. Once the Board has made a decision, acknowledge and act in accordance with it.
6. Understand the Board's role is to set policy and ensure staff understands this, while facilitating staff's ability to implement Board directed policy.
7. Recognize and abide by the separation of responsibilities between the Board, General Manager and Staff.
8. Clearly understand the expectations and the responsibilities of the Board Chair, Vice Chair, and Commissioners.
9. Correctly identify the issues.
10. Realistically select important issues related to the District's mission and worthy of the Board's energies and efforts.
11. Make sure all major policy decisions are well thought out from a legal perspective, all options have been explored, with each advantage and disadvantage, explored and weighed.
12. Communicate all facts accurately and fully.
13. Encourage open discussion by all Board members on all subjects.
14. Ensure everyone has a chance to give and explain his or her point of view.
15. Actively and courteously listen to each other in a genuine effort to understand opposing views.
16. Attend and actively participate in all meetings, keeping absences to a minimum.
17. Come to meetings prepared, having reviewed the materials provided by staff.
18. Ask the General Manager for background information as needed prior to Board meetings.
19. Never hesitate to ask questions at a Board meeting or request additional information, if required.
20. Understand and follow Brown Act requirements.
21. Maintain confidential information that has been acquired during closed session.

#### 3.2 Procedure for Responding to Breaches of the Board Principles

Should evidence or allegations of violations of the Board Principles by a Commissioner of the Ventura Port District come to the attention of a Board member, that Board member shall address the matter with the General Manager and General Legal Counsel, who will investigate the matter. If it is determined to be a potential violation based upon the investigation, the matter will be agendaized for Board consideration and determination in open session. (Open & Public V: A guide to the Ralph M. Brown Act)

Should the Principles continue to be violated by the Commissioner as determined by the Board, the Board may direct the General Manager to bring it to the attention of the Ventura City Council. The Ventura City Council has the authority to remove Commissioners from office during their term for cause by a vote of not less than five members of the Council. (H&N Code Section 6241.1)

### **3.3 Oath of Office**

Within ten days of a Commissioners appointment and before performing duties of his or her office, each Commissioner shall take and subscribe to an Oath of Office before the Clerk of the Board, that he or she will support the Constitution of the United States and the Constitution of the State of California and will faithfully discharge the duties of his or her office according to the best of their ability. (H&N Code Section 6243)

### **3.4 Conflict of Interest**

Pursuant to Sections 87200 *et. seq.*, Government Code, newly appointed Commissioners are required to file a "Statement of Economic Interests" within ten days of assuming office; this Statement is filed with both the County and City Clerks offices and at the District office. After the initial statement is filed, each Commissioner is required to file an annual statement, usually after January 1 of each year but no later than April 1 of each year.

A Commissioner is required to conform to the Conflict of Interest provisions of the Political Reform Act, Section 87100 *et. seq.*, California Government Code and the District's Conflict of Interest Code, which regulate financial conflicts of interest. The law imposes the responsibility to avoid financial conflicts of interest upon each Commissioner. Pursuant to state law, each Commissioner must undergo training in the obligations of the law to avoid conflicts of interest and to conform to all other applicable laws including those concerning ethics and conflict of interest.

A Commissioner is required to file a "Leaving Office Statement" within 30 days after leaving office.

### **3.5 Ethics Training**

Each Commissioner shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service no later than one year from the first day of service. Thereafter, each Commissioner shall receive the training at least once every two years, without regard to the number of local agencies with which he or she serves. (Gov't Code Section 53235(b))

### **3.6 New Commissioner Orientation**

When a Commissioner is first appointed to the Board, the General Manager and Chair shall hold an orientation to give an introduction to the Ventura Port District, its policies and procedures.

### **3.7 Social Media**

The Ventura Port District Marketing Department participates in Facebook, Twitter, Instagram, and other social media platforms to engage members of the public and surrounding organizations in a more active role. The District promotes content on these social media outlets to provide updates to community members in a timely manner and to share information to a larger on-line audience.

Social media provides unintended opportunities for the Commission to engage in prohibited serial meetings. On any form of Social Media, whether a public page or a closed group, to which a majority of the Commission has access, a posting, or a response to a posting, by one Commissioner could be viewed by two other Commissioners, which could likewise be considered a prohibited serial meeting. This would be inadvertent, but nevertheless erode the public's confidence that Commission meetings only take place in public so the public may participate fully in the decision-making process.

Recent Brown Act amendments clarified that a member of a legislative body may engage in conversations of communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body, provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. In addition, a member of the legislative body may not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body. (Gov't Code Section 54952.2(b)(3) These changes are in effect only until January 1, 2026, unless extended or made permanent by the Legislature or Governor.)

Therefore, it is recommended that Commissioners refrain from posting on any form of District social media, whether public page or closed group, sharing posts, and refrain from responding to comments or reacting to posts using digital icons.

### **3.8 Cellphone Usage in Meetings**

Personal cellphone usage shall be limited to break times and emergencies only. Cellphones should be silenced once the meeting is called to order. Commissioners and attendees should be engaged in the meeting and not cause distractions with their phones.

## **4.0 TRAININGS AND CONFERENCES**

Members of the Board are encouraged to attend educational trainings, conferences, and professional meetings when the purpose of such activity is to improve District operations. There is no limit as to the number of Commissioners attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District. If multiple Commissioners attend a training or conference, they must not discuss District business amongst themselves.

A training and conferences budget is set every fiscal year by the General Manager and approved by the Board. All training and conferences for Commissioners and staff are brought to the Board for approval.

### **4.1 New Board Member Training**

It is recommended that all new Board Members attend the California Special District Association's "How to be an Effective New Board Member" Training. The training has been designed specifically for special district board members and board chairs/presidents in order to provide the tools, background and overall knowledge necessary to help navigate the first year of governing a special district and be an effective leader. This training would qualify for travel and expense reimbursement.

### **4.2 Travel Expense Reimbursement Policy for Commissioners**

The Board has approved the Ventura Port District Travel Expense Reimbursement Policy ("Policy") for Commissioners. The purpose of the Policy is to set forth the procedure of the District concerning the reimbursement of actual and necessary expenses incurred by a Commissioner in the performance of official duties for the benefit of the District, pursuant to Government Code Sections 53232 et. seq. This policy can be viewed on the District's website at <https://venturaharbor.com/board-meeting-documents/>.



## 5.0 COMMISSIONER INTERACTIONS

### 5.1 Commissioner/Clerk of the Board

All questions or requests regarding conduct of District meetings and travel requests must come through the Clerk of the Board.

### 5.2 Commissioner/Staff

The Board will address District staff in a professional, constructive, and considerate manner. This will ensure that Board interactions with staff will have a positive impact on the operations of the District.

Board members have no authority to direct staff to work on projects without the approval of a majority vote of the Board. To operate the District in an effective and professional manner, the General Manager needs to be aware of the projects on which each staff member is working.

Correspondence and requests directed to staff on behalf of Commissioners should be routed through the Chair, Clerk and/or General Manager. Requests related to the conduct of a meeting should also be routed through the Clerk.

### 5.3 Commissioner/Port District Tenant

In an effort to ensure fair and efficient communication with tenants in the harbor, a Commissioner will provide a brief summary and disclose any contacts he or she may have had with any tenant at a subsequent Board meeting. This brief summary of such contact shall be provided as part of routine reporting during Board Communications at the next District public meeting, as appropriate.

To assure fair and consistent negotiations on all pending leasing agreements, no Commissioner shall discuss any aspect of a lease that is under negotiation or discussion between the tenant and the District General Manager or District staff. Should a tenant wish to meet or confer with a Commissioner at any point during lease negotiation regarding the terms of a lease, the Commissioner may only do so if a member of the District staff is also present.

### 5.4 Commissioner/Legal Counsel

While there will be instances where individual Commissioners have a need to contact District Counsel directly, in general it is preferred that Commissioners first direct their inquiry to the General Manager or his/her designee before involving Counsel.

### 5.5 Commissioner and Staff Visibility to the Public

To ensure that Commissioners and District staff are easily recognized by the public for District events or events where the Port District is being represented, a Commissioner or District staff should wear an appropriate name badge to identify the individual and his or her affiliation with the District. The cost of the name badge will be borne by the District.

### 5.6 Commissioner Representation as a Commissioner at Public Engagements

In an effort to ensure transparency in the conduct of District business, when possible, Commissioners shall advise the Board in advance, of participation at conferences, meetings, and public speaking engagements in which Commissioners will be representing the District in their official capacity. Participation in such engagements shall be for the purpose of advancing the Board's policies, projects and goals as determined by the Board through its prior approval actions, consistent with other protocols.

**5.7 Commissioner Participation as Interested Party at Community Events**

From time to time, Commissioners may choose to participate in community activities, committees, events, and task forces. When a Commissioner participates in these types of activities, the Commissioner is acting as an interested party rather than acting on behalf of the Board. Acting or participating on behalf of the Board is limited to those instances when the Commission has formally designated the Commissioner as its representative for the matter.

## **6.0 DISTRICT OFFICERS**

### **6.1 General Manager**

The Board of Port Commissioners is authorized to employ a General Manager of the Ventura Port District by Employment Agreement who shall be responsible for the day-to-day management of the District and the employment of the District personnel subject to Board policy. The qualifications of the General Manager shall meet the requirements established by the Board. The General Manager may also act as Board Secretary or be appointed as the Finance Officer, but no Commissioner shall be appointed as General Manager. The duties of the General Manager shall be determined by the Board, and the General Manager's performance shall be evaluated annually by the Board.

The General Manager may also acts as "Auditor" pursuant to the California Harbors and Navigation Code Section 6241.1, which states..."An auditor shall be appointed by the board with the approval of the City Council..."

### **6.2 General Counsel**

General Counsel to the District is appointed by the Board, and although they may provide services to the District under contract, General Counsel serves at the pleasure of the Board. The Board shall review the performance of General Counsel periodically.

## **7.0 PORT COMMISSION MEETINGS**

### **7.1 Meeting Location**

Meetings of the Board shall be held at 1603 Anchors Way Drive, Ventura, California. The Board may, at times, elect to meet at other locations within the City and upon such election shall give public notice of the change of location as per Brown Act requirements.

### **7.2 Compliance with the Brown Act**

Pursuant to the Ralph M. Brown Act ("Brown Act"), all meetings of the Board of Port Commissioners shall be open and public, and all persons shall be permitted to attend and participate in any public meeting of the Board of Port Commissioners except as provided by law; provided, however, that closed sessions may be held when permitted by law. Periodically, Legal Counsel will provide a refresher training on the Brown Act.

### **7.3 Regular Meetings**

The Board of Port Commissioners considers and approves a meeting schedule for the year at one of its regular meetings, usually in December of each year. Regular Meetings are typically held the first and third Wednesday of every month. However, the Board customarily does not meet in August, and November and December have only one meeting on the third Wednesday of the month. Normally, closed session begins at 5:30PM for public comment on closed session items. Open session begins at 7:00PM.

### **7.4 Special Meetings**

Special meetings of the Board may be called and held from time to time pursuant to the procedures set forth in the Brown Act.

### **7.5 Emergency Meetings**

In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities an emergency meeting may be called by the Board Chair or by a majority of the Commissioners without complying with the 24-hour notice or posting requirements or both. The meeting shall be conducted under the same rules as a Special Meeting. The Board may meet in closed session pursuant to Government Code section 54957 during an Emergency Meeting if agreed to by two-thirds vote of the Commissioners present, or, if less than two-thirds of the Commissioners are present, then by a unanimous vote of the Commissioners present at the meeting.

An emergency situation includes an emergency (a work stoppage, crippling activity, or other activity which severely impairs public health or safety, or both, as determined by a majority of the Board) and a dire emergency (a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a one-hour notice before holding an emergency meeting may endanger the public health, safety, or both, as determined by a majority of the Board.) (GC Sec. 54956.5)

### **7.6 Cancelled Meetings**

When the day for any regular meeting falls on a legal holiday, the regularly scheduled meeting for that day shall be deemed cancelled unless otherwise provided by the Board. Any meeting of the Board may be cancelled in advance by a majority vote of the Board. From time to time, there may be a need for the General Manager, in consultation with the Chair and Vice-Chair, to cancel a meeting due to lack of agenda items or unplanned Commissioner absences.

### **7.7 Adjourned Meetings**

Any regular, adjourned, or special meeting may be adjourned to another time, place and date specified in the order of adjournment provided it is not beyond the next regular meeting date. Once adjourned, the meeting may not be reconvened. (GC Sec. 54955)

### **7.8 Teleconferenced Meetings**

Regular or Special meetings of the Board of Port Commissioners may be teleconferenced, i.e. a meeting of individuals in different locations, connected by electronic means, through either audio or video, or both. Any teleconferenced meeting shall meet requirements of the Brown Act (GC Sec. 54950, et seq.) as follows:

1. The meeting agenda(s) shall be posted at all teleconferenced locations and include a listing of each teleconference location. For example, a Commissioner teleconferencing from a hotel must see that the agenda is posted in the public area of the hotel and on the door of the Commissioner's room.
2. Any notices of the meeting shall list each teleconference location. The District Secretary shall be notified by a Commissioner desiring to teleconference of the Commissioner's location in sufficient detail and sufficiently in advance of the meeting date to meet the requirements for providing the appropriate notice.
3. Each teleconference location shall be accessible to the public. For example, if a Commissioner is teleconferencing from his/her hotel room then the door to the room must be ajar or unlocked to permit members of the public to enter during the course of the teleconferenced meeting.
4. A speaker phone must be used at the location of the teleconferencing site to permit members of the public who attend the meeting to be able to hear the meeting and, as appropriate, participate in the meeting.
5. All votes taken during a teleconferenced meeting shall be by roll call. (GC Sec. 54953(b)).

### **7.9 Closed Sessions**

The Board may hold closed sessions during any regular, adjourned-regular or special meeting, or any time otherwise authorized by law, to consider any matter which is authorized by law to be heard or considered in closed session, including, but not limited to, the following:

- (a) Real Property Negotiations – To discuss the terms of a real estate transaction
- (b) Litigation – To discuss anything related to the litigation – facts, legal theories, settlements, etc.
- (c) Labor Negotiations – To confer with and instruct the District's labor negotiator with respect to labor negotiations
- (d) Personnel Matters – To discuss the employment, appointment, evaluation or dismissal of staff

The general subject matter for closed session consideration shall be agendaized or publicly announced as required under the Brown Act, before such session is held.

Except as otherwise provided in Government Code section 54963, no person in attendance at a closed session shall disclose confidential information that has been acquired during the closed session to a person not entitled to receive that information, unless the Board of Directors authorizes the disclosure.

Confidential information means a communication made in closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under Government Code Section 54963.

Violation of Government Code Section 54963 may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

- (1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.
- (2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.
- (3) Referral of a member of a legislative body who has willfully disclosed confidential information in violation of this section to the grand jury.
- (d) Disciplinary action pursuant to paragraph (2) of subdivision (c) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

#### **7.10 Sub-committees**

In an effort to ensure transparency in the conduct of District business, the use of committees is to be discouraged whenever possible. Generally, the Board only establishes committees on an ad hoc basis to more efficiently address matters subject to closed session. The District and public are better served when Board meetings are conducted openly. As such, the Board does not have standing committees. This will ensure that all five Commissioners have an equal opportunity to have input on all issues related to the District.

#### **7.11 Board Liaisons**

Board Liaison appointments can be raised by any Commissioner. When such appointment(s) is raised, it must be formally approved by the Commission at a noticed public meeting.

Commissioners appointed as a liaison shall represent the interests of the District and shall keep the Board informed of their activities and positions taken under the Board Communications portion of the agenda.

The current Board liaisons are: Dredging Liaison, Audit Liaison and JPIA Liaison.

#### **7.12 Quorum and Voting**

Three members of the Board shall constitute a quorum and three affirmative votes are required for the Board to take action. (H&N Code Section 6270)

Any Commissioner present at a meeting when a question comes up for a vote, should vote for or against the item unless he/she is disqualified from voting and abstains because of a conflict of interest. If the vote is a voice vote, the Chair shall declare the result. The Board may also vote by roll call at the request of any Board member. Resolutions and Ordinances require a roll call vote.

#### **7.12.1 Attending Meetings of other Public Agencies, Conferences, Etc.**

Any number of Commissioners may attend meetings of other public agencies, conferences, etc.; provided, however, that where a quorum of the Board is present, they do not discuss District business amongst themselves. This does not preclude Commissioners from addressing the governing body or members of a panel at the meeting or event regarding District business.

#### **7.12.2 Social Gatherings**

A quorum of the Board may attend or participate in social gatherings or other similar events. However, even when meeting socially, Commissioners shall not discuss District business, or the gathering could be deemed a meeting under the Brown Act.

#### **7.12.3 Email, Texting, Instant Messages, and other Electronic Communication**

Commissioners and staff must take care not to participate in non-contemporaneous electronic communications that could turn into a serial meeting under the Brown Act. The District encourages the use of email as a one-way communication tool. To this end, Commissioners should not “Reply All” to any emails to avoid a quorum of the Board being involved in the communication. Similarly, staff should be cautious of acting as an intermediary in a serial communication including Commissioners to avoid potential Brown Act violations.

### **7.13 Commissioner Absences**

In the event a Commissioner is going to be absent from a Board meeting, every effort should be made to advise the Clerk of the Board in advance of that absence. If a Commissioner anticipates an extended absence, he or she should provide advance notice of the absence to the Chair and Clerk so that the Board may plan ahead for and manage any work that might otherwise be assigned to that Commissioner.

### **7.14 Attendance by the Public**

All meetings of the Board, except Closed Sessions, shall be open and public in accordance with the terms, provisions and exceptions consistent with the Brown Act. A public comment period is available for members of the public to raise issues of concern within the Board’s jurisdiction or authority at all regular meetings of the Board. While public comments are welcome, the public should not expect a response or any significant exchange, as the Board is limited under the Brown Act in its ability to respond to public comment.

#### **7.14.1 Public Communications – Verbal and Written**

The Board shall accept public comments and testimony on specific agenda items as well as on matters not specifically appearing on the agenda. The Board will request, but not require, speakers to fill out and submit a speaker card to the Clerk.

For items appearing on the Board agenda, prior to initiation of discussion by the Board, the Chair will acknowledge that a request to speak has been received and invite the speaker to address the Board immediately prior to or during discussion of the item by the Board.

In addition to verbal comments, written comments will be accepted prior to the start of the public hearing. Copies of all written comments shall be distributed to the Board prior to their decision on the matter and posted on the Commission's webpage. Written comments will not be read out loud during public comment.

#### **7.15 Agendas**

The Clerk of the Board shall prepare, publish and distribute agendas for all meetings. Meeting agendas shall be posted at least 72 hours in advance and topics shall be limited to those on the agenda. Agendas are available on the Ventura Port District website homepage and at <https://venturaharbor.com/board-meeting-documents/>.

#### **7.16 Minutes and Recordings**

Minutes and recordings of Board meetings will be kept and maintained as follows:

- a. "Action Minutes" will be prepared by the Clerk of the Board for all Commission meetings that are open to the public. Minutes are prepared after each commission meeting by the Clerk of the Board and approved by the Board at a subsequent meeting. These minutes are not actual transcripts of the meetings but describe only the motion-maker and the contents of the motion, the Commissioner seconding the motion, the vote, and any conditions of approval. The minutes will also reflect the names of public speakers. If a Commissioner desires for a comment to be included in the minutes, it is his or her responsibility to indicate to the Clerk of the Board that the statement is "for the record" before making the comments.
- b. Board meetings are digitally recorded and maintained by the Clerk of the Board in accordance with the District's Record Retention Policy. Members of the public may listen to audio recordings on the District's website.



## 8.0 ORDER OF BUSINESS

The business of the Commission at its meetings will generally be conducted in accordance with the following order unless otherwise specified on the agenda. A closed session may be held at any time during a meeting consistent with applicable law:

CALL TO ORDER (Closed Session)  
 ROLL CALL  
 PUBLIC COMMUNICATION  
 ADJOURN TO CLOSED SESSION  
 CALL TO ORDER (Open Session)  
 PLEDGE OF ALLEGIANCE  
 ROLL CALL  
 ADOPTION OF AGENDA  
 APPROVAL OF MINUTES  
 PUBLIC COMMUNICATIONS  
 CLOSED SESSION REPORT (If a closed session is conducted)  
 BOARD COMMUNICATIONS  
 STAFF AND GENERAL MANAGER REPORT(S)  
 CONSENT AGENDA  
 STANDARD AGENDA  
     ACTION ITEMS  
     INFORMATIONAL ITEMS  
 ADJOURNMENT

**Call to Order** – The Chair opens the public meeting by calling it to order at the appropriate scheduled time.

**Pledge of Allegiance** – The Chair or designee will lead those present at the meeting in the Pledge of Allegiance.

**Roll Call** – The Clerk of the Board will take roll.

**Adoption of the Agenda** – The Board will consider and approve, by majority vote, minor revisions to agenda items and/or attachments and any item added to (in accordance with the requirements of the Brown Act) or removed/continued from the agenda. This motion is approved by voice vote.

**Approval of the Minutes** – The Commission will discuss, make possible amendments to and approve minutes of the past meeting(s).

**Public Communications** – This period is set aside to allow public communications on items not on the agenda, but within the jurisdiction and authority of the District. Each person may address the Board for up to three minutes or at the discretion of the Chair. Each person is requested but not required to fill out and return to the Clerk of the Board a speaker slip, which allows the Chair to recognize who would like to speak. No person may speak without first being recognized by the Chair.

**Closed Session Report** – Any reportable actions taken by the Board during Closed Session will be announced at this time by Legal Counsel.

**Board Communications** – This time is set aside to allow Board members to briefly comment on District issues, such as seminars, meetings, projects and literature that would be of interest to the public and/or District, as a whole, as well as report any interactions with Harbor tenants.

**Staff and General Manager Report(s)** – District staff will give the Board reports on their Department activities. The General Manager will report on items of general interest to the Board and public. Legal Counsel will report on progress on District assignments and any legislative or judicial matters.

**Consent Agenda** - Matters appearing on the Consent Agenda 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 item identified on the Consent agenda. Approval by the Board of Consent Items means that the recommendation by staff is approved by motion along with the terms set forth in the applicable staff reports.

**Standard Agenda** – The Standard Agenda consists of Action Items and Informational Items.

**Action Items** – In accordance with the Brown Act, the Board may not take action on any item that does not appear on the agenda posted at least 72 hours prior to the meeting, unless the item is added to the agenda in accordance with the Brown Act (Gov't Code Section 54954.2). Staff will give the Board a report, the Board will ask questions, the Chair will call for public comment, then Board discussion and deliberation, and then action may be taken, to be followed by a brief oral summary of the action taken by the Chair or the Board member presiding at the meeting. A voice vote or roll call vote will be taken, unless the item is continued, or no motion or action is taken.

**Informational Items** – Staff will give a report on matters requested by the Board or a Commissioner or on a matter of general interest to the Board or public. Normally, no action is to be taken on an informational Item.

**Adjournment** – The Chair will adjourn the meeting.

## ACKNOWLEDGEMENTS

This handbook was based on similar handbooks from other municipalities. We thank the City of Ventura, County of Santa Barbara, Princeton, New Jersey Government, Newhall County Water District, Alameda-Contra Costa Transit District, and San Simeon Community Services District. Also used as references were the Harbors and Navigation Code, Robert's Rules of Order and the Brown Act.

## 9.0 PORT COMMISSION AND PORT DISTRICT POLICIES BY RESOLUTION

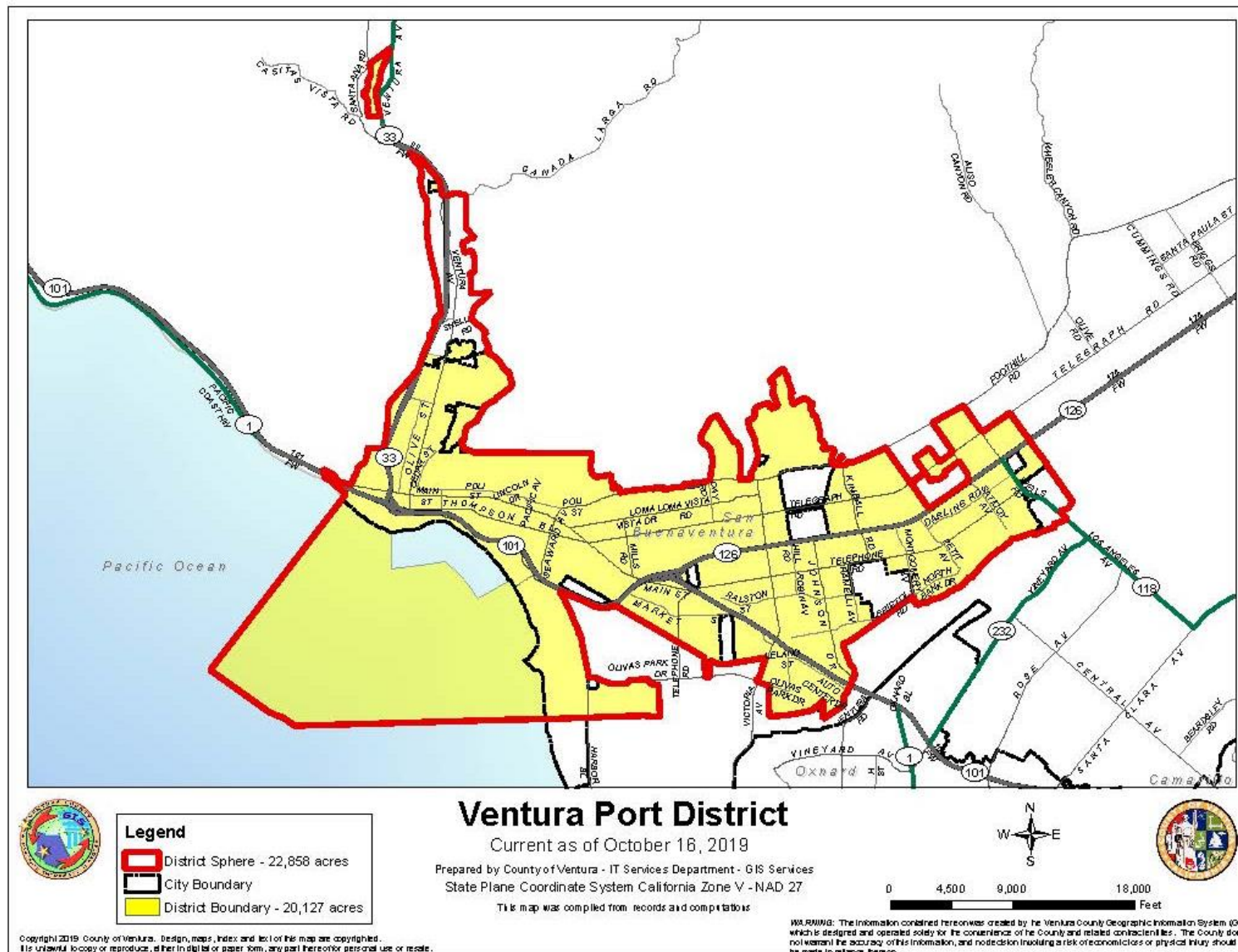
District policies can be found on the District's website at <https://venturaharbor.com>.

If you are unable to locate a certain policy, please contact the District Clerk.

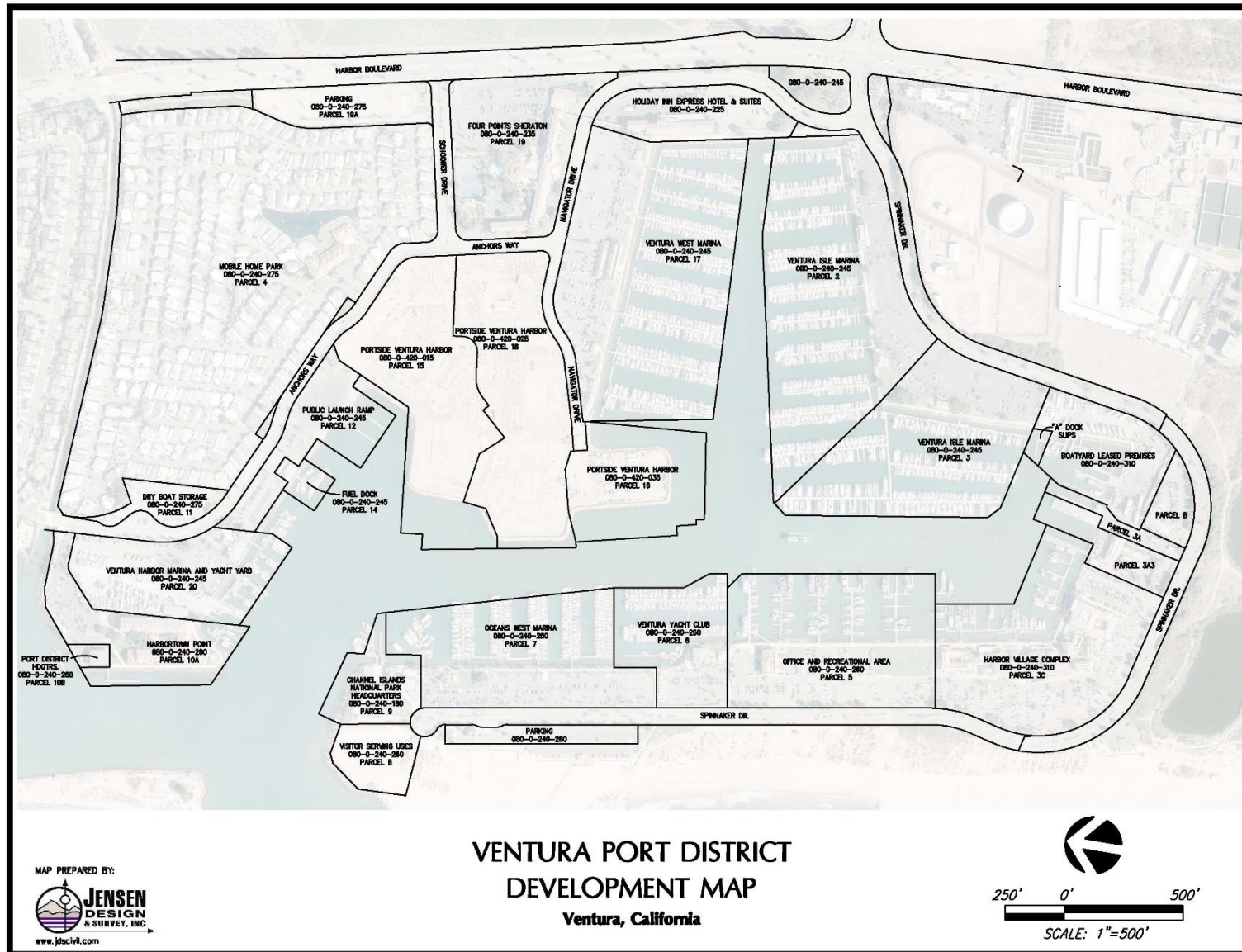
Ventura Port District Policies for reference:

- Records Retention Policy
- Lease Negotiation and Administrative Policy
- Slip Rate Policy
- Reserve Policy
- Investment Policy
- Master Lease/Option Negotiation Administration Policy
- Expense Reimbursement Policy for Commissioners
- District Conflict of Interest Code
- Expense Reimbursement Policy for Employees
- California Public Records Act Policy and Procedures
- Sale of Surplus Personal Property
- Ventura Port District Human Resources Manual
- Art Donation Policy
- California Uniform Construction Cost Accounting Policies & Procedures

## APPENDIX 1 – LAFCO SPHERE OF INFLUENCE MAP



## APPENDIX 2 – DISTRICT PARCEL MAP



J:\VPD14558\Survey\Exhibits\4558 Property Exhibit 2019-08-26.dwg Aug 28, 2019, 12:08pm mjjones

## APPENDIX 3

### Harbors and Navigation Code

#### General Provisions

6200. "District," as used in this part, refers to any port district formed pursuant to this part.

6201. "Board," as used in this part, means the board of port commissioners described in Chapter 2 (commencing with Section 6240).

6202. This part does not repeal, modify or otherwise affect the provisions of any other law relating to port or harbor districts, and no other law providing for the creation of port or harbor districts repeals, modifies or otherwise affects this part or any of its provisions.

6203. Any property owned by any city which is used or held for the purpose of aiding or developing navigation, commerce or fishing may be transferred to the district to be used for the same purposes, and any lands of the State which may have been transferred to any such city may be transferred to the district subject to the trusts and other provisions for the transfer of the lands from the State to the city. A city which is governed by a freeholders charter may only transfer or turn over property if authorized by the provisions of its charter or an amendment thereof.

6204. If any land under a navigable stream is by virtue of any work or improvement by the United States or the State, freed from the easement of navigation and fishing, it reverts to the district, to be used for the purposes for which the district was organized. But if any land is not used or held for such purposes, it reverts to the State.

6205. If the district is dissolved, lands which were granted to it by a municipal corporation revert to that municipal corporation.

#### Formation

6210. A district may be organized pursuant to this part. It shall include one municipal corporation and any contiguous unincorporated territory in any one county but a municipal corporation shall not be divided in the formation of a district.

Territory which may be annexed to a municipal corporation, which is in a district, is by virtue of the annexation a part of the district.

6211. The formation of a district is initiated by a petition presented at a regular meeting of the board of supervisors of the county in which the proposed district is situated.

The petition shall be signed by a number of registered voters, residing within the proposed district, equal to not less than five per cent of the number of registered voters, residing in the district, who voted at the last preceding general State election at which a Governor was elected. The petition may consist of any number of instruments.

6212. The petition shall state the name of the proposed district, and describe the proposed boundaries and it shall pray that the territory included be created a district pursuant to this part.

6213. Upon presentation, the petition shall be filed with the clerk of the board of supervisors, and upon filing, or at its next regular meeting, the board of supervisors shall fix a time for hearing it, which shall not be less than thirty nor more than sixty days from the date of filing.



6214. A notice of the time and place of the hearing of the petition, including a copy of the petition, excepting the names thereon, shall be published at least four times in a newspaper of general circulation published in the territory included within the proposed district, and in case no such newspaper is published in the territory, then in a newspaper published in the county in which the proposed district is situated.

6215. At the hearing of the petition, the board of supervisors shall hear those appearing in support, and all protests or objections. The hearing may be adjourned from time to time, not exceeding sixty days in all.

6215.5. If the board of supervisors finds that protests have been made, prior to its final determination for formation of the district, by the owners of real property within the proposed district the assessed value of which, as shown by the last equalized assessment roll, constitutes more than one-half of the total assessed value of the real property within the proposed district, the proceeding shall terminate. The board of supervisors shall order the proceeding terminated when such protests are received.

6216. The board of supervisors may make such changes in the proposed boundaries of the district as are advisable, and it shall define and establish the boundaries.

If the board of supervisors deems it proper to include any territory not included within the boundaries proposed in the petition, it shall first give notice of its intention so to do, by publication of notice in a newspaper published in the county in which the district is located, for two times. The hearing on a proposed inclusion of additional territory shall not be continued beyond sixty days after the board determines to give notice of its intention to increase the boundaries. Within ten days of the final hearing of the matter, the board of supervisors shall make its order fixing the boundaries of the district.

6217. The boundaries of any district shall be fixed by the board of supervisors so as not to include more than fifty square miles of unincorporated territory. This area shall have a frontage upon the waterway which it is contemplated will be improved, and the board of supervisors shall only include within the boundaries land which will be benefited by the creation and operation of the district.

6218. At the time of making its order fixing the boundaries of the district the board of supervisors shall call an election to determine whether the proposed district shall be organized.

A defect in the contents of the petition or in the title to or in the form or publication of the notice shall not vitiate any proceedings thereon, if the petition has a sufficient number of qualified signatures.

6230. An election shall be held within 130 days of the call, to determine whether the district shall be organized. The election shall be conducted in conformity with the general election laws. At the election the proposition shall be placed on the ballot, permitting each voter to vote "yes" or "no."

6231. The board of supervisors shall canvass the results of the election and if a majority of those voting have voted "yes" the proposition is carried, and the board of supervisors shall certify the result to the Secretary of State, who shall file it. From and after the filing of the certificate by the Secretary of State, the district is in existence.

6232. A certified copy of the certificate filed with the Secretary of State, shall be recorded in the office of the county recorder in the county in which the district is situated.

6233. Any informality in procedure or in the conduct of the election shall not invalidate the establishment of the district.

Any proceedings in which the validity of its establishment is denied shall be commenced within sixty days after the date of filing in the office of the Secretary of State of the certificate mentioned in this article. Otherwise, the establishment and legal existence of the district and all proceedings in respect thereto are valid in every respect and incontestable.

### **Board of Port Commissioners**

6240. The district shall be governed by a board of port commissioners. The board consists of five members. Two of the commissioners shall be appointed by the board of supervisors of the county in which the district is located. Two of the commissioners shall be appointed by the city council of the municipal corporation situated in the district. The board of supervisors, together with five members of the city council, appointed by the mayor of the municipality in the district constitute a board of election to appoint the other commissioner. This commissioner shall be chairman of the board. A majority vote is necessary for the appointment of the chairman of the board. An auditor shall be appointed by the board of port commissioners and approved by the board of supervisors and the city council.

6241. These appointments shall be made within thirty days after the formation of the district.

6241.1. Port districts in Ventura County shall be governed by a board of port commissioners consisting of five members appointed by the mayor of the municipal corporation in the district, with the approval of the city council.

The chairperson of the board shall be elected by the commissioners for a term of two years. An auditor shall be appointed by the board with the approval of the city council.

After a public hearing, the city council may remove commissioners from office during their term for cause by a vote of not less than five members of the city council.

6242. A vacancy on the board shall be filled by the body which appointed the commissioner whose office is vacated, and the new appointee shall hold his office for the unexpired term.

6243. Each commissioner shall, within ten days after his appointment and before entering upon the discharge of the duties of his office, take and subscribe to an oath or affirmation before an officer authorized by law to administer oaths, that he will support the Constitution of the United States and the Constitution of the State of California, and will faithfully discharge the duties of his office according to the best of his ability. The oaths or affirmations shall be filed in the office of the district.

6244. A person shall not be appointed a member of the board unless he is, at the time of his appointment, a taxpayer within the district and has resided within the district for at least one year.

6245. The term of office of each commissioner is four years from the time of his appointment, except that the chairman first appointed shall hold office for two years, and the remaining commissioners first appointed to the board shall classify themselves by lot, so that they hold office respectively for one, two, three, and four years.

6246. The chairman is the presiding officer of the board and he shall vote on propositions passed upon by the board.

6247. The first meeting of the board shall be held within ten days of the appointment of its chairman. The board may make its own rules of procedure and determine the place and time of its meeting.



6248. The board shall select one of its members vice chairman, who shall preside in the absence of the chairman.

The board shall provide for and select such officers, except the auditor, as it deems necessary to conduct the affairs of the district.

6249. The board may prescribe rules and regulations pertaining to the selection of officers and employees of the district, other than the auditor. It shall also fix the salary or wages of all officers and employees of the district. The term of each officer appointed by the board shall be during the pleasure of the board.

The board may adopt and carry into effect a contract or contracts of group insurance or a system of group annuities or both for the benefit of such of the officers and employees of the district as accept the same and who have authorized the board to make deductions from their compensation for the payment of a portion of the premium thereon. Contracts of group insurance or systems of group annuities which include benefits to dependents of officers and employees are contracts of group insurance or systems of group annuities for the benefit of officers and employees for the purpose of this section.

The board may make such deductions and may pay the remainder of such premiums from any funds of the district not required to be devoted to a specific purpose. The board may pay such portion of the premiums thereon or attributable thereto as it determines to be advisable. The board may arrange or contract for a contract or contracts of group insurance or a system of group annuities or both with any public agency or any insurance company or agent authorized by or pursuant to law to transact such business within this State.

6250. A corporation may be selected as treasurer or the board may provide that the duties of the treasurer shall be performed by the county treasurer of the county in which the district is located, or by the city treasurer of the city within the district.

6251. The commissioners shall serve without salary or compensation.

6252. The auditor of the district shall hold office during the pleasure of the board of election, and it shall fix his salary and require him to file a bond for the faithful performance of his duties in such amount as it may determine. The bonds shall be filed in the office of the board.

6253. The mayor of the city within the district, or the chairman of the board of supervisors of the county in which the district is located, may call meetings of the board of election.

6254. The fiscal year of any district shall begin on the first day of July of each year and shall end on the thirtieth day of June in the following year, unless otherwise fixed with the consent of the board of supervisors of the county in which the district is located.

6255. The board shall annually file a report of the affairs and financial condition of the district for the preceding year. This report shall show the sources of all receipts and purposes of all disbursements during the year.

6270. The powers of a district established pursuant to this part shall be exercised by the board, by ordinance or resolution passed by a majority vote of the board. All ordinances shall be published in a newspaper of general circulation, printed or published in the county in which the district is situated, at least once before final passage.

Franchises and leases for a period of more than ten years shall not be valid, unless authorized by ordinance.

6271. A grant of a franchise or lease of property of the district shall not be made for a longer period than 50 years.

6272. A district may destroy a record pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code.

6273. The district may itself, without letting contracts therefor, do work and make improvements. The work shall be done under the direction of its officers or employees.

6275. An officer of the district, and any of its employees, shall not be interested, directly or indirectly, in any contract or transaction with the district; or become surety for the performance of any contract made with or for the district, upon bonds given to the district.

An officer or employee of the district shall not receive any commission or thing of value, or derive any profit, benefit, or advantage, directly or indirectly, from or by reason of any dealings with or service for the district by himself or others, except as lawful compensation as such officer or employee.

The violation of the provisions of this section by an officer or employee works a forfeiture of his office or employment.

6276. (a) In lieu of the benefits afforded pursuant to Division 4 (commencing with Section 3200) and Division 4.7 (commencing with Section 6200) of the Labor Code, the district may agree to provide workers' compensation benefits to its stevedore employees in amounts, and under such conditions, as would be payable to stevedore employees of private employers pursuant to the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901, et seq.).

(b) Such an agreement shall be binding upon the parties only if it is in writing and signed by the employee and by a representative of the district. It shall acknowledge, in writing, that the benefits agreed upon are authorized by this section and are expressly in lieu of any benefits available under Division 4 (commencing with Section 3200) and Division 4.7 (commencing with Section 6200) of the Labor Code.

(c) All claims for benefits against the district which are authorized by this section shall be determined pursuant to law and the rules and regulations of the Workers' Compensation Appeals Board.

To the fullest extent possible, the Workers' Compensation Appeals Board shall attempt to apply the Longshoremen's and Harbor Workers' Compensation Act to employees covered by this section in the same manner as applicable to private employees.

(d) Notwithstanding the provisions of Sections 11779 and 11870 of the Insurance Code or any other provision of law, the State Compensation Insurance Fund or any private insurer may provide insurance coverage for the benefits authorized by this section.

### **District Powers**

6290. A district created under this part is a public corporation created for municipal purposes.

6291. It has perpetual succession.

6292. It may sue and be sued.

6293. It may adopt a seal.

6294. It may take by grant, purchase, gift, devise or lease or otherwise acquire and hold and enjoy, and lease or dispose of, real and personal property of every kind, within or without the district, necessary to the full or convenient exercise of its powers.

6295. A district may acquire, purchase, takeover, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, towage facilities, and any and all other facilities, aids, or public personnel, incident to, or necessary for, the operation and development of ports, waterways, and the district.

6296. It may exercise the right of eminent domain to take any property necessary to carry out any of the objects or purposes of the district.

6297. It may incur indebtedness and issue bonds or other evidence of indebtedness for its purposes.

If any bonds issued for port improvement purposes by any part of a district prior to its creation are refunded, the refunding bonds are a lien only upon the lands upon which the original bonds were a lien at the time of the creation of the district.

6298. It may levy and collect or cause to be levied or collected taxes as in this part provided.

6299. It has exclusive jurisdiction over, and it may provide for and supervise pilots and the pilotage of sea-going vessels from the end of jurisdiction of existing pilot authorities to points lying upon any navigable waterway project of the United States, entering the district.

6300. It may contribute money to the Federal or the State Government or to the county in which it is located or to any city within the district, for the purpose of defraying the whole or a portion of the cost and expenses of work and improvement to be performed, either within or without the territorial limits of the district, by the Federal, State, county or city government, in improving rivers, streams, or in doing other work, when such work will improve navigation and commerce, in or to the navigable waters in the district.

6301. A district may do any work or make any improvement within or without the territorial limits of the district, which will aid in the development or the improvement of navigation or commerce to or within the district.

6302. A district may enact necessary police regulations providing for control of any waterway project of the United States, entering the district, and adopt rules and regulations concerning the construction of wharves, docks, buildings, and improvements of all types, contemplated.

6303. A district may provide for the opening and laying out of streets leading to the waterfront.

6304. A district may regulate and control the construction, maintenance, and operation or use of all wharves, warehouses, structures, improvements, or appliances used in connection with or for the accommodation and promotion of transportation or navigation on any improvement project of the federal government applying to the main waterway entering the district and on other navigable streams improved or unimproved which lie within the district, and it may make and enforce necessary police and sanitary regulations in connection therewith.

6304.1. Notwithstanding any other provision of law, any port district which has received, or is receiving, money pursuant to the provisions of Division 1 (commencing with Section 30) for the construction or improvement of a small craft harbor or facilities in connection therewith, may enter into a lease of any portion of its land and water area which has been freed from the public trust for commerce, navigation, or fisheries for the development of marine-oriented apartments and townhouses. Such lease may authorize the lessee to sublet individual dwelling units, but such lease shall not exceed a term of 50 years, after which time any improvements constructed pursuant to the lease shall revert to the district. Land rental units constructed pursuant to such

lease shall be available to all persons on equal and reasonable terms. Any such lease shall contain express provisions requiring the lessee to provide for reasonable public access across the leased lands to adjacent port water areas.

Nothing in this section shall be construed to allow the use of tide or submerged lands in any manner inconsistent with the California Constitution or with the public trust for commerce, navigation, or fisheries.

Any lease of real property so freed from the public trust which is proposed to be let under the provisions of this section shall first be submitted to the State Lands Commission and to the Attorney General for review and approval, and no such lease shall be let unless the State Lands Commission and the Attorney General find that the proposed lease would be in the public interest and would not be in violation of any provision of the California Constitution or of any term of a grant of tidelands or submerged lands and would not be inconsistent with the public trust for commerce, navigation, or fisheries.

6305. It may fix, regulate and collect the rates or charges for the use of wharves, warehouses, vessels, railroads and other facilities, structures and appliances owned, controlled or operated by it, in connection with or for the promotion and accommodation of transportation or navigation, and it may also fix, regulate and collect the rates or charges for pilotage and towage.

6306. It may lay out, plan and establish the general plan and system of harbor and harbor district improvements and modify the plan and prescribe the specifications for such improvements.

6307. It may perform the functions of warehousemen, stevedores, lighterers, reconditioners, shippers and reshippers of properties of all kinds.

6308. It may manage the business of the district and promote the maritime and commercial interests by proper advertisement of its advantages, and by the solicitation of business, within or without the district, within other States or in foreign countries, through such employees and agencies as are expedient.

6309. Except as otherwise provided in Section 660, the board may adopt all ordinances necessary for the regulation of the district with respect to the parking of vehicles, the speed and operation on vehicles and vessels, berthing of vessels, fire safety ashore and afloat, prohibiting the pumping of raw sewage or waste into port waters, and littering.

6309.2. Before any ordinance may be adopted, the ordinance shall be published in its entirety on three separate occasions in a newspaper of general circulation published within the district, or if none, in any newspaper of general circulation published in the county in which the district, or a part thereof, is located, together with a notice of the date on which the board will meet for the purpose of adopting the ordinance. The first publication shall occur at least 20 days prior to the date of such meeting, and the second and third publications shall occur at seven-day intervals. The general public shall be allowed to appear at the meeting and be heard on the proposed ordinance. The ordinance shall become effective as provided in Section 9141 of the Elections Code, unless another effective date is set forth by the board.

6309.4. Every person who violates any of the provisions of a district ordinance adopted pursuant to Sections 6309 and 6309.2 is guilty of an infraction and shall be subject to a fine not to exceed one hundred dollars (\$100).

6309.6. The district's manager, harbormaster or wharfinger, or any duly authorized representative of one of these persons, shall have the power to issue citations for violation of district ordinances in the manner provided by Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.

6310. Notwithstanding the enumeration and specific statement herein of particular powers, the district may do and perform all acts and things necessary and appropriate to carry out the purposes of this part and the powers of the district.

6311. Upon a four-fifths vote of all the members of the board, it may issue negotiable promissory notes bearing interest at a rate of not exceeding 7 percent per annum; provided, however, that said notes shall be payable from revenues and taxes levied for purposes of the district other than the payment of principal and interest on any bonded debt of the district; and provided further, that the maturity shall not be later than 20 years from the date thereof and that the total aggregate amount of such notes outstanding at any one time shall not exceed 1 percent of the assessed valuation of the taxable property in the district, or if said assessed valuation is not obtainable, 1 percent of the county auditor's estimate of the assessed valuation of the taxable property in the district evidenced by his certificate.

### **Bonds**

6330. A district may create a bonded debt pursuant to Article 1 (commencing with Section 43600) of Chapter 4 of Division 4 of Title 4 of the Government Code. Bonds may be issued for the purpose of raising money for use in carrying out any of the powers and purposes of the district.

6331. Bonds issued by any district pursuant to this part are legal investments for all trust funds, and for the funds of all insurers, banks, both commercial and savings, and trust companies, and for the State school funds, and whenever any money or funds may, by law now or hereafter enacted, be invested in bonds of cities, cities and counties, counties, school districts or municipalities in this State, such money or funds may be invested in bonds of districts organized pursuant to this part.

6340. Pursuant to this article a district may create a revenue bond indebtedness for the acquisition and construction, or acquisition or construction of any improvements or property or facilities contained within its powers.

6341. The issuance of said bonds shall be authorized by ordinance adopted by two-thirds of all the members of the board, to take effect upon its publication.

6342. The secretary shall publish said ordinance once in a newspaper of general circulation printed in said district, and if there is none, then in such newspaper published in the county in which said district is located.

6343. Said ordinance shall specify the total amount, denomination, method of maturity, and the rate or maximum rate of interest of said bonds, and in general terms, the acquisitions and improvements to be constructed thereby; and, in addition, shall contain such other and further provisions as in the judgment of the board are deemed advisable.

6344. The proceeds of said bonds shall be placed in an account in the treasury of the district to be entitled \_\_\_\_ Port District Revenue Construction Fund No. \_\_\_\_ and used exclusively for the objects and purposes mentioned in the ordinance.

6345. The lien of said bonds of the same issue shall be prior and superior to all revenue bonds subsequently issued.

6346. Proceedings for the issuance of said bonds shall be had, the board shall have such powers and duties, and the bondholders shall have such rights and remedies, all in substantial

accordance with and with like legal effect as provided in Sections 54344 to 54346, inclusive, 54347, 54348, 54350, 54351, 54352, and in Articles 4 (commencing at Section 54400) to 11 (commencing at Section 54660), inclusive, of Chapter 6, Part 1, Division 2, Title 5 of the Government Code. As used therein the word "resolution" shall mean ordinance, the word "local agency" shall mean district, and the words "legislative body" shall mean board.

6355. Whenever, upon the creation of a district any municipality therein or any county in which the district is located which has theretofore authorized or incurred a bonded indebtedness for any work or improvement for which the district may incur a bonded debt pursuant to this part, and such municipality or such county thereafter sells such bonds or any portion thereof, the proceeds of the sale may, upon the order of the appropriate board of supervisors or city council, be paid by the custodian into the treasury of the district and shall be applied by the board, exclusively to the purposes and objects for which the bonds were authorized by the municipal corporation or the county issuing them.

### **Finances and Taxation**

6360. On or before June first of each year, the port director shall submit to the board a detailed statement of the money required for the ensuing fiscal year for the purpose of conducting the business of the district. There shall be submitted with such estimate, such data and schedules as the board may require.

6361. Annually, on or before the date set for the consideration of the budget by the board of supervisors of the county in which the district is located, the board of each district shall furnish to the board of supervisors of the county in which the district is situated, an estimate in writing of the amount of money needed for all purposes by the district during the ensuing fiscal year. Thereupon, it is the duty of the board of supervisors to levy a special tax, on all taxable property of the county lying within the district, sufficient in amount to raise that sum.

6362. The tax shall in no event exceed the rate of ten cents (\$0.10) on each one hundred dollars (\$100) of the assessed value of all taxable property within the district, exclusive of the amount necessary to be raised by taxes to meet bond and promissory note interest and redemption. The tax shall be computed, entered upon the tax rolls and collected in the same manner as county taxes are computed, entered and collected. All money collected shall be paid into the county treasury to the credit of the particular district fund and shall be paid to the treasurer of the district upon the order of the board of port commissioners.

6363. From the time of the organization of any district until the next succeeding July first, the district may incur indebtedness for the purpose of operating the port and in the first tax levy, the rate shall be in an amount sufficient to operate the port for the first full fiscal year as well as to pay the obligations thus incurred before the first of the July succeeding the creation of the district.

6364. A district may impose a special tax pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. The special taxes shall be applied uniformly to all taxpayers or all real property within the district, except that unimproved property may be taxed at a lower rate than improved property.

6365. (a) The district may, in any year, levy assessments, reassessments, or special taxes and issue bonds to finance waterway construction projects and related operations and maintenance, or operations and maintenance projects independent of construction projects in accordance with, and pursuant to, the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code), the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code), the Municipal Improvement Act of 1913

(Division 12 (commencing with Section 10000) of the Streets and Highways Code), the Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703) of the Government Code), the Integrated Financing District Act (Chapter 1.5 (commencing with Section 53175) of Division 2 of Title 5 of the Government Code), the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code), and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code).

(b) Sections 5116, 5117, 5118, 5119, 5190, 5191, 5192, 5193, 10104, and 10302 of the Streets and Highways Code shall not apply to assessment proceedings undertaken pursuant to this section.

(c) Notwithstanding the related provisions of any assessment act which the district is authorized to use, any assessment diagram which any of those acts requires to be prepared prior to final approval of the assessment district may show only the exterior boundaries of the assessment district and the boundaries of any assessment zones or improvement areas within the district. The diagram may refer to the county assessor's maps and records for a detailed description of each lot or parcel.

(d) Notwithstanding any other provision of law, the district may levy and collect assessments and reassessments in the same manner as provided in Article 3 (commencing with Section 51320) of Chapter 2 of

Part 7 of Division 15 of the Water Code, to pay any or all of the following:

(1) For the operation and maintenance of projects, including maintenance of lands, easements, rights-of-way, dredge material disposal areas, and remediation.

(2) For the satisfaction of liabilities arising from projects.

(3) To accumulate a fund which may be used to advance the cost of district projects, provided that the advances be repaid, with interest as determined by the commissioners, from assessments, reassessments, special taxes, or fees charged by the district pursuant to this section.

(4) To acquire real property, easements, or rights-of-way for a navigation project or the maintenance of a navigation project.

(5) To acquire real property within the district for disposal of dredged material.

(e) For purposes of this section, functions designated by Article 3 (commencing with Section 51320) of Chapter 2 of Part 7 of Division 15 of the Water Code to be performed by the board of supervisors, the board of trustees, or valuation commissioners shall be performed by the district's board.

(f) For purposes of this section, the board may order the creation of a separate assessment roll to pay the allowable expenses of any single project or any group or system of projects.

(g) Notwithstanding any other provision of law, all assessments, reassessments, and taxes levied by the district may be collected together with, and not separately from, taxes for county purposes.

Any county in which the district is located may collect, at the request of the district, all assessments, reassessments, and special taxes levied by the district and shall cause those revenues to be deposited into the county treasury to the credit of the district.

Each county may deduct its reasonable collection and administrative costs.

(h) Notwithstanding any other provision of law, any assessment or reassessment levied pursuant to this section may be apportioned on the basis of land use category, tonnage shipped on the waterway, size and type of vessel using the waterway, front footage, acreage, capital improvements, or other reasonable basis, separately or in combination, as determined by the district commissioners.

(i) Notwithstanding any other provision of law, Division 4 (commencing with Section 2800) of the Streets and Highways Code shall not apply to any assessment levied by the district.

(j) Notwithstanding any other provision of law, no bond issued pursuant to this section shall be used to fund the routine maintenance dredging of channels.

6370. All claims for money or damages against the district are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code except as provided therein, or by other statutes or regulations expressly applicable thereto. All claims not governed thereby shall be filed with the auditor on forms and blanks prescribed by him. A claim shall not be paid without the endorsement of the auditor certifying to its correctness.

The auditor shall keep a record, which shall be a public record, of all claims against the district showing by whom made, for what purpose, the amount thereof and when paid.

6371. If there is not sufficient money in any fund to pay the demands made against it, the demand shall be registered in a book kept by the treasurer, showing its number, when presented, date, amount, name of payee, and on what account allowed and out of what fund payable, and when so registered, the demand shall be returned to the person presenting it with the endorsement of the word "Registered" dated and signed by the treasurer. All registered demands are payable in the order of their registration.

This section does not prevent the payment by the treasurer of bonds of the district or of any city or county, and interest coupons thereof, in accordance with the Constitution of this State and the provisions of this part authorizing the issuance and payment of such bonds.

6372. Wages and salaries shall be paid at such intervals as the board may direct, but at least once each month.





# BOARD OF PORT COMMISSIONERS APRIL 19, 2023

## STANDARD AGENDA ITEM 4 ADOPTION OF RESOLUTION No. 3472 APPROVING THE FINANCIAL STATEMENTS AND CHECKS FOR OCTOBER 2022 THROUGH DECEMBER 2022

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 4**  
Meeting Date: April 19, 2023

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Gloria Adkins, Accounting Manager  
SUBJECT: Adoption of Resolution No. 3472 Approving the Financial Statements and Checks  
for October 2022 through December 2022

---

**RECOMMENDATION:**

That the Board of Port Commissioners adopts Resolution No. 3472 to:

- a) Accept the financial statements for the Quarter ending December 31, 2022; and
- b) Review the payroll and regular checks for October through December 2022.

**SUMMARY:**

Attached for the Board's review are the financial statements for the quarter ended December 31, 2022, and the check registers for October through December 2022.

**GUIDING PRINCIPLES:**

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 6) Provide exceptional public service and organizational transparency.

**FIVE-YEAR OBJECTIVES:**

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures, and programs.
  - 1) Collaborate with business partners and stakeholders through increased engagement, communication, and participation.
- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
  - 5) Financial reporting

**BACKGROUND:**

The financial statements for the quarter ending December 31, 2022, shown as Attachment 2, consist of the Statement of Income and Expenses, Supplementary Notes, Balance Sheet, Cash Flow Statement, Distribution of Cash, Comparison of Lease Rents, and a Three-Year Comparative Statement of Revenue and Expenses.

Operational Disbursements

The accounts payable check registers for October through December can be found following the financial statement documents as Attachment 3. The registers include a brief description of the purpose for each check.

Staff is providing supplemental information for check expenditures exceeding \$10,000 that are non-routine below.

October 2022 –

- Kratos Construction was paid \$10,865 on 10/11/22 for three projects, a wall light installation at building 1591 Spinnaker Drive, repairs to suite 204A at building 1575 Spinnaker Drive and fiber optic repairs at building 1583 Spinnaker Drive.
- JPL Construction was paid \$23,573 on 10/27/22 for the balance of refurbishing the crane hoist on the fish pier and for work on the generator project for Ventura Port District headquarters building at 1603 Anchors Way Drive.
- Swift Chip was paid \$15,815 on 10/27/22 for the purchase and installation of a new computer server for Ventura Port District headquarters building at 1603 Anchors Way Drive.

November 2022 -

- F.C.T. Construction was paid \$147,350 on 11/10/22 for services pertaining to the 1567 Spinnaker Drive building façade project and the replacement of the 1559 Spinnaker Drive building pergola beams.
- Impact Sciences was paid \$27,628 on 11/22/22 towards the MND preparation for the Ventura Yacht Club dock replacement project.
- JPL Construction was paid \$18,529 on 11/22/22 towards the generator project for Ventura Port District headquarters building at 1603 Anchors Way Drive.

December 2022 –

- Bellingham Marine was paid \$31,831 on 12/15/22, \$28,593 for tsunami damage repairs on the Harbor Patrol dock and \$3,237 for the final retainer on the Village I dock project.
- F.C.T. Construction was paid \$84,263 on 12/15/22 for the 1567 Spinnaker Drive façade project.
- JTech Corporation was paid \$17,025 on 12/16/22 for the final work and retainers on the 1575 Spinnaker Drive trash enclosure project and the Village Wayfinding project.
- Rasmussen & Associates was paid \$14,985 on 12/21/22 for the VHV restroom remodel and the Courtesy Dockmaster office remodel.
- The Holly Workshop was paid \$45,000 on 12/21/22 for Harbor entrance and Harbor Village Christmas décor purchases as needed, set up, maintain and clean. Removal and storage portion of the PSA will be paid in January 2023.

Details reflecting purchases made using the District's Wells Fargo Commercial credit cards for October through December 2022 are included as Attachment 4.

The Quarterly Treasurer's Report for the period ending December 31, 2022, has been included as Attachment 5. The District has all reserve funds invested with the Local Agency Investment Fund (LAIF) pooled money investment account through the State of California, Office of the Treasurer.

Payroll Disbursements

The District has 26 bi-weekly pay periods per year; ten months of the year will have two regular payroll periods and two months will have three regular pay periods. For this quarter, October and November contain two regular pay periods each. December contains three regular payrolls and the quarterly accrued compensation hours pay-off run for all departments.

**FISCAL IMPACT:**

The Statement of Income and Expenses reflects a positive 'Change in Net Position' of \$1,800,286 for the period ended December 31, 2022.

**ATTACHMENTS:**

Attachment 1 – Resolution No. 3472

Attachment 2 – Statement of Income Expenses – Quarter Ended December 31, 2022

Attachment 3 – Accounts Payable Check Registers – October - December 2022

Attachment 4 – Wells Fargo Bank Credit Card Charges - October - December 2022

Attachment 5 – Quarterly Treasurers Report – December 31, 2022



**RESOLUTION NO. 3472**

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS OF THE  
VENTURA PORT DISTRICT CONSENTING TO THE ACCEPTANCE OF THE  
FINANCIAL STATEMENT AND APPROVAL OF CHECKS**

**BE IT RESOLVED** by the Board of Port Commissioners of the Ventura Port District, that:

- A. Accept the Financial Statements for the Quarter ended December 31, 2022;
- B. The following Checks are hereby reviewed:
  - 1) Payroll checks and direct deposits #50383-50700 in the amounts of \$164,904 for October 2022 salaries, \$162,480 for November 2022 salaries, and \$299,964 for December 2022 salaries.
  - 2) Regular Checks #55614-56017 in the amounts of \$295,544 for October 2022 expenditures, \$398,385 for November 2022 expenditures, and \$369,860 for December 2022 expenditures.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting of the Board of Port Commissioners of the Ventura Port District held on April 19, 2023, Resolution No. 3472 was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

---

Michael Blumenberg, Chair

---

Anthony Rainey, Secretary

# ATTACHMENT 2

## Ventura Port District Statement of Income and Expenses For the Period Ended December 31, 2022

	<----- Quarter (3 mos) ----->			<----- Year-to-Date ----->		
	Budget	Activity	Variance	Budget	Activity	Variance
<b>OPERATING REVENUES</b>						
Parcel Lease Income	\$ 1,185,000	\$ 1,238,430	\$ 53,430	\$ 2,390,000	\$ 2,582,515	\$ 192,515
Dry Storage Income	22,200	19,160	(3,040)	44,400	39,336	(5,064)
Fisherman's Storage	22,100	21,899	(201)	44,000	43,798	(202)
Parking Income	12,000	13,116	1,116	42,500	32,462	(10,038)
Harbor Event Fees	6,500	12,196	5,696	13,500	17,512	4,012
Miscellaneous Income/Rentals	3,300	3,105	(195)	54,125	54,296	171
Village Income						
Harbor Village Lease Income	799,225	834,056	34,831	1,742,975	1,765,978	23,003
Commercial Fishing	96,525	175,962	79,437	146,000	227,995	81,995
Miscellaneous Income	850	1,250	400	1,700	1,744	44
Marketing Booth/Vendor Income	2,000	1,901	(99)	3,000	5,305	2,305
Co-Op Advert/Sponsorship	14,000	13,770	(230)	14,000	15,270	1,270
Merchants Promo Fund	29,100	29,367	267	58,200	58,176	(24)
Slip Rentals	249,000	266,973	17,973	498,000	529,852	31,852
Dock Electrical Income	10,100	12,755	2,655	19,100	20,801	1,701
C A M Income	93,000	93,005	5	186,000	186,503	503
<b>Total Oper. Revenues</b>	<b>\$ 2,544,900</b>	<b>\$ 2,736,945</b>	<b>\$ 192,045</b>	<b>\$ 5,257,500</b>	<b>\$ 5,581,543</b>	<b>\$ 324,043</b>
<b>OPERATING EXPENSES</b>						
<b>Personnel Expenses</b>						
Salaries & Wages						
Regular Salaries	\$ 808,667	\$ 780,730	\$ 27,937	\$ 1,501,862	\$ 1,438,760	\$ 63,102
Part-time Help	24,219	7,524	16,695	45,000	8,791	36,209
Overtime Pay	22,500	25,582	(3,082)	55,000	58,167	(3,167)
Holiday Pay	12,275	22,341	(10,066)	24,550	31,622	(7,072)
Total Salaries & Wages	\$ 867,661	\$ 836,177	\$ 31,484	\$ 1,626,412	\$ 1,537,340	\$ 89,072
Other personnel expenses						
Retirement Contributions/Exp	\$ 182,789	\$ 170,390	\$ 12,399	\$ 339,500	\$ 327,200	\$ 12,300
Payroll Taxes	16,374	12,930	3,444	30,430	24,189	6,241
Worker's Comp Ins.	47,451	47,451	0	94,902	94,902	0
OPEB Liability	3,300	3,129	171	6,600	6,258	342
Medical & Life Ins.	79,497	67,548	11,949	158,994	137,388	21,606
Optional Benefit Plan	76,349	76,766	(417)	152,498	144,459	8,039
Uniforms & Tool Allowances	8,931	10,512	(1,581)	24,022	24,165	(143)
Total - Other Personnel Expenses	\$ 414,691	\$ 388,726	\$ 25,965	\$ 806,946	\$ 758,561	\$ 48,385
Total Personnel Expenses	\$ 1,282,352	\$ 1,224,903	\$ 57,449	\$ 2,433,358	\$ 2,295,901	\$ 137,457

Monthly Report  
(Unaudited)

# ATTACHMENT 2

## Ventura Port District Statement of Income and Expenses For the Period Ended December 31, 2022

	< ----- Quarter (3 mos) ----- >			< ----- Year-to-Date ----- >		
	Budget	Activity	Variance	Budget	Activity	Variance
<b>General Expenses</b>						
Advertising	\$ 8,400	\$ 11,051	\$ (2,651)	\$ 12,700	\$ 14,602	\$ (1,902)
Leasing & Real Estate	5,250	1,209	4,041	10,500	6,468	4,032
Auto Mileage & Allowance	2,450	1,614	836	4,900	2,767	2,133
Auto/Boat Equip & Maint	44,480	34,512	9,968	88,735	52,680	36,055
Bank Fees & Other Misc	2,885	880	2,005	5,730	2,194	3,536
Building Maintenance	53,355	36,557	16,798	102,510	66,192	36,318
Bldg Maint-Tenant Improvments	80,000	54,143	25,857	155,000	123,325	31,675
Communications	8,760	6,932	1,828	17,520	23,087	(5,567)
Conferences & Training	17,750	7,747	10,003	35,350	16,813	18,537
Dock Maint. & Repair	42,999	(17,655)	60,654	120,998	63,097	57,901
Equipment Rental	2,765	2,578	187	5,510	5,478	32
General Insurance	94,998	94,755	243	189,996	189,510	486
Grounds Maintenance	34,630	29,310	5,320	69,240	81,172	(11,932)
General Harbor Maintenance	999	82	917	1,998	82	1,916
Janitorial Supplies	18,735	14,732	4,003	37,470	36,358	1,112
Land/Building Rental Expense	22,100	22,179	(79)	44,000	43,798	202
Marketing & Promotions	171,125	153,995	17,130	237,225	204,374	32,851
Memberships & Subscriptions	38,160	26,204	11,956	62,830	43,845	18,985
Office Supplies & Equipment	5,050	6,585	(1,535)	10,000	12,539	(2,539)
Computer Equip & Supplies	10,500	0	10,500	10,500	0	10,500
Operating Supplies	23,174	13,231	9,943	46,298	26,741	19,557
Other Equipment & Repairs	17,055	10,999	6,056	30,610	22,460	8,150
Legal-Prof Serv, Judgements, Settl	75,000	23,964	51,036	150,000	95,036	54,964
Professional/Outside Services	239,752	260,164	(20,412)	531,004	484,420	46,584
Prof. Serv.-Comm Fishing & Aquacu	20,000	7,325	12,675	40,000	24,788	15,212
Utilities	115,170	118,851	(3,681)	230,340	237,757	(7,417)
Dredging Related Expenses	44,500	41,899	2,601	71,500	68,661	2,839
Total General Expenses	\$ 1,200,042	\$ 963,843	\$ 236,199	\$ 2,322,464	\$ 1,948,244	\$ 374,220
<b>Total Operating Expenses</b>	\$ 2,482,394	\$ 2,188,746	\$ 293,648	\$ 4,755,822	\$ 4,244,145	\$ 511,677
<b>Oper. Income(Loss) Before Deprec.</b>	\$ 62,506	\$ 548,199	\$ 485,693	\$ 501,678	\$ 1,337,398	\$ 835,720
Depreciation	\$ 300,000	\$ 297,870	\$ 2,130	\$ 600,000	\$ 597,600	\$ 2,400
<b>Operating Income (Loss)</b>	\$ (237,494)	\$ 250,329	\$ 487,823	\$ (98,322)	\$ 739,798	\$ 838,120

Monthly Report  
(Unaudited)

# ATTACHMENT 2

## Ventura Port District Statement of Income and Expenses For the Period Ended December 31, 2022

	< ----- Quarter (3 mos) ----- >			< ----- Year-to-Date ----- >		
	Budget	Activity	Variance	Budget	Activity	Variance
<b>NON-OPERATING REVENUES</b>						
<b>General</b>						
Investment Income (Loss)	\$ 0	\$ 44,905	\$ 44,905	\$ 0	\$ 8,754	\$ 8,754
Tax Income	850,000	874,739	24,739	898,200	923,007	24,807
Other Non-Oper. Income	0	5,200	5,200	0	355,200	355,200
Total General Non-Oper. Income	\$ 850,000	\$ 924,844	\$ 74,844	\$ 898,200	\$ 1,286,961	\$ 388,761
<b>Special Funding</b>						
Total Special Funding	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL NON-OPER. REVENUES</b>	<b>\$ 850,000</b>	<b>\$ 924,844</b>	<b>\$ 74,844</b>	<b>\$ 898,200</b>	<b>\$ 1,286,961</b>	<b>\$ 388,761</b>
<b>NON-OPERATING EXPENSES</b>						
Interest Expense	\$ 8,418	\$ 8,418	\$ 0	\$ 227,030	\$ 226,473	\$ 557
Total Non-Oper. Expenses	\$ 8,418	\$ 8,418	\$ 0	\$ 227,030	\$ 226,473	\$ 557
<b>Non-Operationing Income (Loss)</b>	<b>\$ 841,582</b>	<b>\$ 916,426</b>	<b>\$ 74,844</b>	<b>\$ 671,170</b>	<b>\$ 1,060,488</b>	<b>\$ 389,318</b>
<b>CHANGES IN NET POSITION</b>	<b>\$ 604,088</b>	<b>\$ 1,166,755</b>	<b>\$ 562,667</b>	<b>\$ 572,848</b>	<b>\$ 1,800,286</b>	<b>\$ 1,227,438</b>

Monthly Report  
(Unaudited)



**Supplementary Notes to Statement of Income and Expenses Continued for the quarter ending December 31, 2022 – Budget to Actual Analysis**

Many budget line items are not equally distributed over the course of a given year. In these circumstances, staff attempts to specify the period for planned expenditures or follow seasonal patterns when distributing the annual budget by month. However, where timing of expenses are uncertain, those line items are divided equally through the year which can result in variances by quarter.

This quarter reflects a positive upturn compared to this time last year. The revenue budget for fiscal year 2022-2023 remains on the conservative side given the uncertainties of the current economy.

Operating Income:

**Parcel Lease Income** – (exceeds budget \$192,515) This category reflects the cumulative balance for master tenant's rents. Primary factors for this increase can be attributed to master tenant sales continuing to exceed our expectations and a significant increase in occupancy at Portside Ventura over this time last year.

**Harbor Village Lease Income** – (exceeds budget \$23,003) This category reflects retail, restaurants, offices, and charters. This variance is the net effect of receiving a onetime \$48,000 assignment fee in October offset by all Village lease income categories reflected here being under budget less than 1.5% for the six months ending 12/31/22.

**Commercial Fishing Income** – (exceeds budget \$81,995) This category represents the fisheries building rent and the squid offloading income. This variance primarily represents an increase for squid landings during the current quarter ended 12/31/22.

Operating Expenses:

**Personnel Expenses** – (under budget \$137,457) This variance is the net effect of salaries and wages being under budget \$89,072 and other personnel expenses being under budget \$48,385.

- Regular wages are under budget by \$63,102 through 12/31/22. This category is distributed evenly throughout the year based on 2 or 3 paychecks per month, as appropriate. The variance is now primarily in the Maintenance departments. Maintenance is continuing the recruitment for one position that is reflected in the current budget. Also, there was about a one month gap between the Maintenance Tech II retiring and the new Maintenance Tech II coming on board in January.
- The overtime category exceeds the budget by \$3,167. This category was adjusted at mid-year for Patrol to reflect the additional overtime pay needed through 12/31/22.
- Part-time salaries are under budget \$36,209. The hiring of part-time officers has been deferred to prioritize efforts on the training of the new full-time officers.
- Other personnel expenses are under budget \$48,385. All of the categories in this group are affected by the recruitment of the new Maintenance employee that is currently underway.
- The medical insurance category includes the budget for two full-time employees who chose not to participate in the District's medical health plan. Their decision not to use the District's medical health plan was made after the final budget was approved.

**Auto/Boat Equipment & Maintenance** – (under budget \$36,055) This variance continues to be primarily in boat maintenance. The boat maintenance budget is reflective of planned maintenance and monies for unanticipated issues. The budget is averaged over a 12 month period because emergency repairs may take priority over scheduled maintenance. In addition to emergency repair disruptions, there are frequent delays due to supply chain challenges and vendor availability. \$9,968 of this variance reflects the current quarter ended 12/31/22.

## **Supplementary Notes to Statement of Income and Expenses Continued for the quarter ending December 31, 2022 – Budget to Actual Analysis**

**Building Maintenance** – (under budget \$31,318) This budget line was divided by 12 and spread evenly thru the year. Building maintenance includes planned and unplanned repairs. The timing is not always clear, so the budget is distributed evenly. Building rain gutters were not completed until March 2023 which are expected to use some of the budget surplus.

**Building Maint-Tenant Improvements** – (under budget \$31,675) This budget line was divided up for eleven months at \$25,000 and then the remaining \$160,000 was budgeted to the month of June 2023. The improvements in June 2023 have a lower possibility of needing to be completed in the current year. Tenant Improvements contain both, planned improvement needs and a contingency for possible needs. The timing of tenant improvements is seldom clear, so this year the budget was distributed a little differently. The facilities department has performed in-house labor for most every TI project needed so far thereby creating a significant savings to the District by not hiring outside contractors. We have been fortunate that our TI's have been on or under budget thanks to the Facilities department assisting by installing window blinds, performing minor painting touch up, installing hardware, detail cleaning, minor floor repairs, etc.

**Dock Maint. & Repairs** – (under budget \$57,901) This variance is primarily in the Village Marina department. \$100,000 has been budgeted for repairs to the Village slips. This maintenance was divided by 12 months equally as it was not known when the repairs would be made. Some of these repairs are still scheduled to be completed before 6/30/23. Others will be postponed to the new year due to weather delays, supply chain issues for some components, and scheduling for the contractor.

**Marketing and Promotions** – (under budget \$32,851) Our Marketing Manager attempts to distribute their budget based on scheduled events and advertising promotions. This variance is primarily in advertising and event production categories. Many of the expenses earmarked for December promotion/event spend can come in early the next year based on vendor billing cycles. \$17,130 of this variance reflects the current quarter ended 12/31/22.

**Legal-Professional Services** – (under budget \$54,964) \$51,036 of this variance reflects the current quarter ending 12/31/22. Staff has been successful in maintaining a reduction in the need for legal assistance where possible.

**Other Professional/Outside Services** - (under budget \$46,584) Except for State Lifeguard Services, this category is distributed evenly throughout the year. Not all services are administered evenly each month but given the disparity of services needed through the various departments, it is not possible to know exactly when all the different services will be needed. \$9,255 of this variance reflects the current quarter ended 12/31/22.

### Non-operating Revenue and Expenses:

**Investment Income** (exceeds budget \$8,754) This variance is a direct result of the income earned from LAIF investments for the first and second quarters of \$125,202 being offset by the year to date change in the fair market value loss on the LAIF investment funds of \$117,102. The fair market value for LAIF continues to be below 98% of its cash value. Although we are required to book this fair market value loss, the actual funds in LAIF retain their full cash value. For the current quarter, the fair market value loss did not exceed the earnings as it did in the first quarter. The difference reflects the year-to-date interest earning of \$654 from the County of Ventura. Given the uncertainty of investment income rates and the changes in fair market at the time of the budget preparation, no investment income was budgeted.

### Special funding

**Other Non-Operating Income** – (exceeds budget \$355,200) This income primarily reflects the JPIA insurance recovery of \$350,000 for the loss of Boat 17 during the tsunami earlier this year as shown in the first quarter. \$5,200 was received in December for the sale of Boat 17. This income was not known at the time of the final budget.

# ATTACHMENT 2

## Ventura Port District Balance Sheet For the Period Ended December 31, 2022

<b>CURRENT ASSETS</b>		<b>CURRENT LIABILITIES</b>	
Cash in Banks	7,156,679	Accounts Payable	784,510
Accounts Receivable	599,547	Accrued Interest Payable	174,130
Taxes Receivable	67,905	Current Portion of Long Term Debt	1,166,637
Interest Receivable	115,159	Accrued Liabilities	15,632
Prepaid Expenses	363,193	Current Portion of Compensated Absences	226,872
Lease Receivable-Tenant Leases	3,571,457	Accounts Payable-Vendor Leases	93,963
Inventory of supplies	61,413		
<b>TOTAL CURRENT ASSETS</b>	<b>\$11,935,353</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$2,461,744</b>
<b>NONCURRENT ASSETS</b>		<b>LONG TERM DEBT</b>	
Long Term Leasae Receivable-Tenant Leases	47,541,364	ltd - Notes Payable	10,635,638
	<b>\$47,541,364</b>	<b>TOTAL LONG TERM DEBT</b>	<b>\$10,635,638</b>
<b>RESTRICTED ASSETS</b>		<b>OTHER LIABILITIES</b>	
Cash - Dredging	3,015,864	OPEB Liability-Long Term	1,449,909
Cash - Improvement	6,454,398	Compensated Absences-Long Term	120,349
Cash - Fisheries Complex	202,130	Accounts Payable Equipment Lease-Long Term	539,597
Cash - Grant Fund	42,105	Net Pension Liability	1,943,751
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$9,714,497</b>	Unearned Revenue	72,724
<b>FIXED ASSETS</b>		Security Deposits	290,370
Land	2,342,629	<b>TOTAL OTHER LIABILITIES</b>	<b>\$4,416,700</b>
Harbor Improvements	44,967,200		
Equipment	2,082,176	<b>TOTAL LIABILITIES</b>	<b>\$17,514,082</b>
Leased Equipment being Amortized	723,954		
	50,115,959	<b>EQUITY</b>	
Accumulated depreciation	(20,529,769)	Contributed Capital	4,632,128
<b>NET FIXED ASSETS</b>	<b>\$29,586,190</b>	Retained Earnings-Reserved	645,536
		Retained Earnings- Unreserved	22,623,060
		Current Year Retained Earnings	1,800,283
<b>TOTAL ASSETS</b>	<b>\$98,777,404</b>	<b>TOTAL EQUITY</b>	<b>\$29,701,007</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred amount on refundings	154,337	Deferred amount on OPEB	187,498
Deferred amount on OPEB	236,021	Deferred amount from pension plan	1,787,507
Deferred amount on pension plan	940,740	Deferred amount from Leases	50,918,408
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$1,331,098</b>	<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>\$52,893,413</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<b>TOTAL LIABILITIES, EQUITY, AND DEFERRED INFLOW OF RESOURCES</b>	<b>\$100,108,502</b>
	<b>\$100,108,502</b>		<b>\$100,108,502</b>

Monthly Report  
(Unaudited)

## ATTACHMENT 2

### Ventura Port District Cashflow Statement As of December 31, 2022

#### Enterprise Fund

Operating Income	5,581,543
Non-Operating Income	1,286,961
Total Income	<u>\$ 6,868,504</u>
Operating Expenses	4,841,745
Non-Operating Expenses	226,473
Total Expenses	<u>\$ 5,068,218</u>
Change in Net Position-Accrual Basis	\$ 1,800,286
Cashflows for Capital and Financing Activities:	
Principle paid on debt	(975,763)
Deferred amount on refundings - adjusted for new refunding	16,836
Acquisitions/Retirements of Capital Assets	<u>(279,450)</u>
Net Cash provided (used) by Capital & Financing	\$ (1,238,377)
Operating Income Adjustments:	
Depreciation/Impairment of assets	597,600
(Increase)decrease in receivables	148,743
(Increase)decrease in prepaid Items	120,302
Increase(decrease) in payables	218,667
Increase(decrease) in unearned revenue	(44,933)
Increase (decrease) in tenant deposits	<u>846</u>
Net Cash provided by Operating Activities	\$ 1,041,226
NET Increase (Decrease) in Cash	\$ 1,603,135
Add: Beginning Cash 7/1/22	\$ 15,268,041
Ending Cash at 12/31/22	\$ 16,871,176

Monthly Report  
(Unaudited)

## ATTACHMENT 2

### Ventura Port District Distribution of Cash as of December 31, 2022

<u>Enterprise Fund</u>	Current Balance
<u>Cash</u>	
Cash on Hand (undeposited)	2,538
Cash in Checking (Wells Fargo Bank)	679,368
Cash in County Treasury	18,955
Total Cash Available for Normal Operations	<u>\$ 700,861</u>
 <u>Investments Unrestricted Reserves</u>	
Local Agency Investment Fund (LAIF)	6,455,818
Total Investments Unrestricted Reserves	<u>\$ 6,455,818</u>
 <u>Dredging Reserves</u>	
Local Agency Investment Fund (LAIF)	3,015,864
Total Dredging Reserves	<u>\$ 3,015,864</u>
 <u>Capital Improvement Reserves</u>	
Local Agency Investment Fund (LAIF)	6,454,398
Total Capital Improvement Reserves	<u>\$ 6,454,398</u>
 <u>Fisheries Complex Reserves</u>	
Local Agency Investment Fund (LAIF)	202,130
Total Fisheries Complex Reserves	<u>\$ 202,130</u>
 <u>State Lands Commission Grant</u>	
Cash in Checking (Wells Fargo Bank)	42,105
Total SLC Grant Funds	<u>\$ 42,105</u>
 TOTAL CASH AND INVESTMENTS	<u><u>\$ 16,871,176</u></u>

## ATTACHMENT 2

### Ventura Port District Comparison of Lease Rent

	Year to Date Ended <u>12/31/2022</u>	Year to Date Ended <u>12/31/2021</u>	Increase (Decrease)	
<b>Parcel Leases</b>				
VHMA/Derecktor Marine	144,818	135,987	8,831	6%
Sheraton 4 Points-Harbortown	344,139	347,487	(3,348)	-1%
Harbortown Point	3,576	3,705	(129)	-3%
Oceans West Marina	192,123	185,289	6,834	4%
Ventura Isle Marina	511,828	457,692	54,136	12%
Ventura Marina Mobile Park	288,669	269,186	19,483	7%
Ventura West Marina	318,072	300,239	17,833	6%
Ventura Yacht Club	74,487	70,493	3,994	6%
Vta Harbor Boatyard	100,382	88,304	12,078	14%
Portside Partners Ventura Harbor	604,421	392,501	211,920	54%
Total Parcel Lease	<u>2,582,515</u>	<u>2,250,883</u>	<u>331,632</u>	15%
Appreciation rent & Option Fee	<u>-</u>	<u>-</u>	<u>0</u>	0%
Total Parcel Leases	2,582,515	2,250,883	331,632	15%
<b>Ventura Harbor Village</b>				
Retail Rents	320,480	326,828	(6,348)	-2%
Restaurant Rents	726,678	729,023	(2,345)	0%
Office Rents	387,262	380,076	7,186	2%
Charters	283,058	286,572	(3,514)	-1%
Assignment Fees	<u>48,500</u>	<u>-</u>	<u>48,500</u>	100%
Total Village	1,765,978	1,722,499	43,479	3%
Commercial Fishing	227,995	133,551	94,444	71%
<b>TOTAL</b>	<b>4,576,487</b>	<b>4,106,933</b>	<b>469,554</b>	<b>11%</b>

Monthly Report  
(Unaudited)

## ATTACHMENT 2

### Ventura Port District Three Year Comparative For the Current Quarter and Year to Date

	Quarter Ending December 31st			Year-To-Date December 31st			% change FY21-22 to Current Yr
	2020-21	2021-22	Current	2020-21	2021-22	Current	
<b><u>Operating Income</u></b>							
Parcel Leases	916,824	1,102,682	1,238,430	1,889,446	2,250,882	2,582,515	15%
Assignment/Option Fee	912,209	-	-	912,209	-	-	0%
Dry Storage	22,532	20,997	19,160	43,426	43,491	39,336	-10%
Other Operating	55,303	50,253	50,316	156,752	166,995	148,068	-11%
Harbor Village Leases	686,312	785,572	834,056	1,421,993	1,722,499	1,765,978	3%
Commercial Fishing	44,959	76,727	175,962	95,317	133,551	227,995	71%
Slips	198,837	256,937	266,973	391,569	496,324	529,852	7%
CAM	76,786	92,561	93,005	144,155	185,138	186,503	1%
Marketing	18,649	31,504	29,367	34,492	62,007	58,176	-6%
Electrical Slips	2,721	13,428	12,755	6,129	22,255	20,801	-7%
Other Operating	(2,601)	7,879	16,921	5,687	8,426	22,319	165%
<b>Total Operating Income</b>	<b>2,932,531</b>	<b>2,438,540</b>	<b>2,736,945</b>	<b>5,101,175</b>	<b>5,091,568</b>	<b>5,581,543</b>	<b>10%</b>
<b><u>Operating Expenses</u></b>							
Harbor Patrol	361,292	350,204	452,073	783,412	863,745	952,792	10%
Maintenance	376,061	404,420	383,632	694,532	752,710	781,872	4%
Administration	684,357	523,841	650,893	1,331,828	1,033,802	1,208,345	17%
Marina	195,812	202,189	211,825	392,293	448,247	457,926	2%
C A M	202,140	197,614	223,027	407,597	407,548	439,495	8%
Marketing	109,625	197,640	225,395	201,153	301,618	335,052	11%
Dredging	59,137	42,803	41,901	98,837	74,300	68,663	-8%
<b>Total Operating Expenses</b>	<b>1,988,424</b>	<b>1,918,711</b>	<b>2,188,746</b>	<b>3,909,652</b>	<b>3,881,970</b>	<b>4,244,145</b>	<b>9%</b>
<b>NET OPERATING INCOME</b>	<b>944,107</b>	<b>519,829</b>	<b>548,199</b>	<b>1,191,523</b>	<b>1,209,598</b>	<b>1,337,398</b>	<b>11%</b>
<b><u>Non-operating Income</u></b>							
Interest	2,467	4,870	44,905	11,095	10,494	8,754	-17%
Taxes	797,337	849,173	874,739	838,706	902,588	923,007	2%
Other-JPIA Insurance Recovery	-	-	5,200	-	-	355,200	100%
<b>Total Non-operating Income</b>	<b>799,804</b>	<b>854,043</b>	<b>924,844</b>	<b>849,801</b>	<b>913,082</b>	<b>1,286,961</b>	<b>41%</b>
<b><u>Non-Operating Expenses</u></b>							
Depreciation	259,388	298,084	297,870	518,943	590,330	597,600	1%
Debt Service	6,642	8,418	8,418	290,719	214,126	226,473	6%
Other	-	-	-	-	-	-	0%
<b>Total Non-operating Expenses</b>	<b>266,030</b>	<b>306,502</b>	<b>306,288</b>	<b>809,662</b>	<b>804,456</b>	<b>824,073</b>	<b>2%</b>
<b>NET NON-OPER. INCOME</b>	<b>533,774</b>	<b>547,541</b>	<b>618,556</b>	<b>40,139</b>	<b>108,626</b>	<b>462,888</b>	<b>326%</b>
<b>NET CHANGE IN POSITION</b>	<b>1,477,881</b>	<b>1,067,370</b>	<b>1,166,755</b>	<b>1,231,662</b>	<b>1,318,224</b>	<b>1,800,286</b>	<b>37%</b>

Monthly Report  
(Unaudited)

# ATTACHMENT 3

## Accounts Payable Check Register - October 2022

Ventura Port District  
Wells Fargo Enterprise Account

12/7/2022

Check	Date	Payee	Name	Description	Amount	Voided Amount
55614	10/04/22	2986	Ferguson Enterprises Inc.	VHV restroom auto faucet	875.83	
55615	10/04/22	8205	VCSDA *** VOID ***	Printing error		22.00
55616	10/04/22	8241	Ventura County Star	Marketing-advertising	1,591.95	
55617	10/04/22	16150	Brendan Daly	Marketing-advertising/event	225.00	
55618	10/04/22	8205	VCSDA *** VOID ***	Printing error		22.00
55619	10/04/22	8205	VCSDA *** VOID ***	Printing error		22.00
55620	10/04/22	8205	VCSDA *** VOID ***	Printing error		22.00
55621	10/04/22	8205	VCSDA	Bi-monthly meeting and dinner-General Manager	22.00	
55622	10/11/22	1020	Access Hardware Supply	VHV - 1575 Spinnaker Dr. - door hardware	855.79	
55623	10/11/22	1060	AFLAC	Salary reduction benefit	1,146.73	
55624	10/11/22	1440	Beacon Marine Chandlery Inc	Harbor Patrol-miscellaneous boat maintenance	66.85	
55625	10/11/22	1676	Carquest Auto Parts	Harbor Patrol-boat oil changes, VPD truck oil changes	511.79	
55626	10/11/22	1679	Carpi & Clay	Washington lobbyist	5,000.00	
55627	10/11/22	1725	C E D (California Electrical Distributors)	VHV promenade lights	60.87	
55628	10/11/22	1826	Central Coast Tourism Council	Marketing workshop	100.00	
55629	10/11/22	1915	Cintas Corp #684	Uniform rental/cleaning; door mats; rags	835.59	
55630	10/11/22	2331	Dial Security Inc	Courtesy Dockmasters coverage	2,320.00	
55631	10/11/22	2924	FMP Uniform Co.	Harbor Patrol uniforms	634.65	
55632	10/11/22	2986	Ferguson Enterprises Inc.	VHV- Surfers Knoll restroom repair	65.38	
55633	10/11/22	3050	All That's Fit to Print	Marketing-ad production	1,020.00	
55634	10/11/22	3454	Gold Coast Broadcasting	Marketing-advertising	340.00	
55635	10/11/22	3490	Grainger Inc.	VPD shop stock- bulbs	210.37	
55636	10/11/22	4057	Health & Human Resource Center	Employee Assistance Program (EAP)	218.82	
55637	10/11/22	4293	Jennifer Talt-Lundin	Reimburse mileage	309.21	
55638	10/11/22	4295	Jensen Design & Survey Inc.	VPD engineering services	1,875.00	
55639	10/11/22	4413	Jose A. Gonzalez	Reimburse mileage	28.08	
55640	10/11/22	4742	Kratos Construction	VHV -1591 light install, 1575#204A repair, 1573 optic repairs	10,865.00	
55641	10/11/22	5625	ReadyRefresh	Bottled water service	791.52	
55642	10/11/22	6030	3Digit Media	Marketing-advertising	1,800.00	
55643	10/11/22	6865	Rasmussen & Associates Inc	VHV-1449 Dockmaster office, 1567 Margarita Villa deck	7,653.21	
55644	10/11/22	7029	Robert Weinerth	Reimburse - work/safety uniform, shoes	443.93	
55645	10/11/22	7294	Service-Pro Fire Protection	VHV-Brophy's fire line	1,637.75	
55646	10/11/22	7296	Searle Creative Group	Marketing-advertising, VPD website maintenance	1,758.75	



# ATTACHMENT 3

Check	Date	Payee	Name	Description	Amount	Voided Amount
55647	10/11/22	7411	Smogies Smog Shop	M44- smog check	40.00	
55648	10/11/22	7572	Standard Insurance Company	Group Term Life/Long-term Disability	4,026.64	
55649	10/11/22	7862	Time To Shine	VPD window washing	1,805.00	
55650	10/11/22	8228	Ventana Monthly	Marketing-advertising	375.00	
55651	10/11/22	8239	Ventura County Reporter	Marketing-advertising	775.00	
55652	10/11/22	8241	Ventura County Star	Marketing-advertising	3,323.16	
55653	10/11/22	8244	Ventura Harbor Storage	Fishermen's gear storage rent	7,019.50	
55654	10/11/22	8266	Ventura Harbor Marine Fuel	Fuel - pressure washer equipment	124.77	
55655	10/11/22	11458	Alexandria Danielson	Marketing-ad production	1,003.75	
55656	10/11/22	12702	Aramsco, Inc	Janitorial supplies	3,422.58	
55657	10/11/22	17700	Cal Termite & Pest Control	VHV pest control and termite treatment	1,900.00	
55658	10/11/22	17805	DATACHECK	Prospective tenant credit check	105.00	
55659	10/11/22	20200	CoStar Realty Information, Inc	Leasing analytics	1,207.76	
55660	10/11/22	42471	JaniTek Cleaning Solutions	VHV-NPS janitorial and Marketing/Marina office janitorial	1,327.24	
55661	10/11/22	48702	Leddy Power Systems, Inc	VPD generator project	4,507.73	
55662	10/11/22	50165	Lynzee Fraye	Marketing-entertainment/music	300.00	
55663	10/11/22	54455	Mr. Painting, Inc.	1583 Spinnaker Dr. - tenant improvements	7,550.00	
55664	10/11/22	61970	Photo-Scan of Los Angeles	Key card tech assist	1,915.90	
55665	10/11/22	70075	Ricoh USA, Inc.	VPD-copier machine lease	630.61	
55666	10/11/22	73005	SEPI Marketing Corp.	Marketing-advertising	719.00	
55667	10/11/22	73060	7 Day Tire Store	M55 - boom truck repairs	1,546.70	
55668	10/11/22	76705	Swift Chip, Inc	IT services, Back up server, Microsoft subscription	9,984.50	
55669	10/11/22	77812	Thermal Alliance	VPD-HVAC maintenance and exhaust repair	940.00	
55670	10/11/22	77855	Todd Mitchell	Reimburse-CMANC conference expenses	3,410.13	
55671	10/11/22	82563	Ventura Signs and Screen Print	VHV trash signage	420.23	
55672	10/11/22	84495	Vida Newspaper	Maintenance classified ad	1,350.00	
55673	10/11/22	85219	West Marine Pro	Dock maintenance	160.91	
55674	10/11/22	PM OneTime	Del Mar Seafoods	Tenant security deposit refund	2,736.60	
55675	10/11/22	PM OneTime	Treasure Cove *** VOID ***	Printing error		612.00
55676	10/11/22	One time	Hilda Wann	Tenant security deposit refund	612.00	
55677	10/27/22	1036	Accurate First Aid Services	Replenish first aid stations	259.14	
55678	10/27/22	1153	Allstar Fire Equipment	Harbor Patrol fire protection gear	9,770.17	
55679	10/27/22	1294	Associated Transportation Engineering	Parking management services	7,260.00	
55680	10/27/22	1321	Avalon Door & Windows Inc.	VHV-1583 Spinnaker Dr. # 206A, 206B - tenant improvements	300.08	
55681	10/27/22	1886	Channel Watch Marine, Inc.	Boat salvage	1,998.85	
55682	10/27/22	1915	Cintas Corp #684	Uniform rental/cleaning; door mats; rags	1,070.42	
55683	10/27/22	1925	City Of San Buenaventura	Trash service	100.00	

# ATTACHMENT 3

Check	Date	Payee	Name	Description	Amount	Voided Amount
55684	10/27/22	2093	Cumulus Broadcasting Inc.	Marketing-advertising	2,810.00	
55685	10/27/22	2100	CyberCopy Inc.	VHV-1567 facade project, 1559, 1691 trash enclosure project	241.57	
55686	10/27/22	2331	Dial Security Inc	Courtesy Dockmasters coverage	928.00	
55687	10/27/22	2448	Downtown Ventura Partners	Marketing-advertising	600.00	
55688	10/27/22	2604	E.J. Harrison & Sons Inc.	Trash service	9,448.53	
55689	10/27/22	2935	Farmer Bros. Co	Coffee supplies	388.93	
55690	10/27/22	2983	Federal Express Corporation	Postage	9.55	
55691	10/27/22	3050	All That's Fit to Print	Marketing-ad production	927.51	
55692	10/27/22	3490	Grainger Inc.	Evacuation diagram forms	58.53	
55693	10/27/22	4247	Jani-King of CA Inc.	VHV janitorial service	6,072.85	
55694	10/27/22	4413	Jose A. Gonzalez	Reimburse mileage	24.57	
55695	10/27/22	4943	Liebert Cassidy Whitmore	HR services	9,449.65	
55696	10/27/22	5016	Lowe's Business Accts/SYNCB	Landscape supplies, VHV-1583 Spinnaker Dr. - tenant improvements	3,062.80	
55697	10/27/22	5190	Matilija Water	Reverse osmosis system	64.15	
55698	10/27/22	5210	McCormix Corp.	Maintenance truck fuel	1,083.12	
55699	10/27/22	5213	McMaster-Carr	VPD blank key shop stock	121.50	
55700	10/27/22	5505	Muzicraft Inc.	Ambient music in Village	599.50	
55701	10/27/22	5744	Noble Consultants Inc.	MND for Yacht Club renovations Dock B,D	1,160.00	
55702	10/27/22	7013	Rincon Consultants, Inc.	Dredging consulting support	3,335.00	
55703	10/27/22	7294	Service-Pro Fire Protection	Annual fire extinguisher inspection	2,460.00	
55704	10/27/22	7296	Searle Creative Group	Marketing-advertising, Website	642.50	
55705	10/27/22	7410	Smith Pipe & Supply Inc.	VPD irrigation repair	275.14	
55706	10/27/22	7434	Southern Calif Edison *** VOID ***	Stub used to list invoices		-
55707	10/27/22	7434	Southern Calif. Edison	Utilities	17,590.13	
55708	10/27/22	7572	Standard Insurance Company	Group Term Life/Long-term Disability	3,519.16	
55709	10/27/22	7770	Hose-Man, Inc	M55 repair	114.90	
55710	10/27/22	7862	Time To Shine	VHV window washing	5,747.50	
55711	10/27/22	8246	Ventura Locksmiths	VHV-1583 Spinnaker Dr. # 203B re-key	25.00	
55712	10/27/22	8251	Ventura Water	Utilities	402.31	
55713	10/27/22	8715	Zep Sales & Service	VPD shop supplies	120.17	
55714	10/27/22	12702	Aramco, Inc	Janitorial supplies	4,627.55	
55715	10/27/22	12880	Arturo Medina	Marketing-advertising	300.00	
55716	10/27/22	14221	Batteries Plus - Ventura	Boat 19 and Boat 1 equipment batteries	23.89	
55717	10/27/22	15860	Boxhub Inc	Temporary maintenance storage bin	4,581.37	
55718	10/27/22	16181	Brian Pendleton	Reimburse-CMANC conference expenses	89.14	
55719	10/27/22	20015	Coastal Architects	Architectural signage	2,090.00	
55720	10/27/22	40519	Image Source	Marketing-Advertising	110.23	

# ATTACHMENT 3

Check	Date	Payee	Name	Description	Amount	Voided Amount
55721	10/27/22	42245	JPL Construction Inc	Crane hoist refurbished, generator project	23,573.23	
55722	10/27/22	45401	K & L Gates LLP	Aquaculture advocacy	4,060.00	
55723	10/27/22	48375	Lagerlof LLP	Legal services	17,078.50	
55724	10/27/22	54455	Mr. Painting, Inc.	VHV 1583 Spinnaker # 206A,206B - tenant improvements	600.00	
55725	10/27/22	54456	MRI Software, LLC	Accounting software subscription	1,560.00	
55726	10/27/22	61954	Pacific Marine Repair	Boat 1 repairs	2,851.14	
55727	10/27/22	67341	Quadient Finance USA Inc	Postage machine lease	502.21	
55728	10/27/22	70075	Ricoh USA, Inc.	Copier maintenance fee for additional page usage	233.29	
55729	10/27/22	70281	Ring Central *** VOID ***	Vendor never received		961.13
55730	10/27/22	72742	Schmid; Bennett	Marketing-entertainment, music	800.00	
55731	10/27/22	73060	7 Day Tire Store	H10 pump repair, M48 brake repair	1,220.30	
55732	10/27/22	75712	Stacey Reed Petrides	Marketing-event production	250.00	
55733	10/27/22	76013	Suncat Creations	Marketing-event production	200.00	
55734	10/27/22	76015	Sunridge Landscape Maint., Inc	VPD irrigation repair	1,800.00	
55735	10/27/22	76065	Suzan Matsukawa	Marketing-event production	125.00	
55736	10/27/22	76705	Swift Chip, Inc	New computer server and installation	15,815.99	
55737	10/27/22	77706	The Flag Factory	Marketing-seasonal décor	168.09	
55738	10/27/22	82201	Valley Scene Magazine	Marketing-advertising	1,260.00	
55739	10/27/22	82471	Ventura Rental Party Center	Marketing-event production	82.50	
55740	10/27/22	84570	Vision Service Plan-(CA)	Employee vision plan	822.03	
55741	10/27/22	85219	West Marine Pro	Boat wipers, zincs, safety supplies, wiper motor	2,190.07	
55742	10/27/22	76705	Swift Chip, Inc	IT services, Back up server, Microsoft subscription	9,984.50	
Total Enterprise Account Check Register					\$ 295,544.04	\$ 1,661.13

## Wells Fargo Grant Account

no activity

Total Grant Account Check Register \$ - \$ -

Total All Check Registers

\$ 295,544.04 \$ 1,661.13

# ATTACHMENT 3

## Accounts Payable Check Register - November 2022

Ventura Port District  
Wells Fargo Enterprise Account

1/3/2023

Check	Date	Payee	Name	Description	Amount	Voided Amount
55743	11/10/22	1020	Access Hardware Supply	VHV 1691 Spinnaker Dr. - NPS door hardware	895.25	
55744	11/10/22	1037	Acorn Newspapers	Marketing-advertising	943.00	
55745	11/10/22	1060	AFLAC	Salary reduction benefit	1,146.73	
55746	11/10/22	1153	Allstar Fire Equipment	Harbor Patrol - uniform boots, helmets	1,022.62	
55747	11/10/22	1321	Avalon Door & Windows Inc.	VHV 1583 Spinnaker Dr. #203B Tenant Improvements	84.85	
55748	11/10/22	1676	Carquest Auto Parts	M45 seat covers, misc vehicle service supplies	307.38	
55749	11/10/22	1725	C E D (California Electrical Distributors)	VHV 1591 Spinnaker Dr. - Entryway lights & supplies	873.88	
55750	11/10/22	1844	Certex USA Inc.	Dock hoist cable	493.09	
55751	11/10/22	1886	Channel Watch Marine, Inc *** VOID ***	Vendor requested name change on check		345.00
55752	11/10/22	1915	Cintas Corp #684	Uniform rental/cleaning; door mats; rags	804.83	
55753	11/10/22	2100	CyberCopy Inc.	Marketing-street banners, event production, aerals	428.14	
55754	11/10/22	2331	Dial Security Inc	VHV 1431 NPS permits, Courtesy Dockmasters coverage	1,919.84	
55755	11/10/22	2986	Ferguson Enterprises Inc.	VHV 1449 Spinnaker Dr. water heater	542.43	
55756	11/10/22	3490	Grainger Inc.	VPD shop stock-bulbs, door closer	498.50	
55757	11/10/22	4057	Health & Human Resource Center	Employee Assistance Program (EAP)	218.82	
55758	11/10/22	4061	Industrial Bolt and Supply	Dock maintenance	52.69	
55759	11/10/22	4247	Jani-King of CA Inc.	VHV janitorial service	6,072.85	
55760	11/10/22	4295	Jensen Design & Survey Inc.	VPD and launch ramp survey	3,080.00	
55761	11/10/22	4413	Jose A. Gonzalez	Reimburse mileage	19.60	
55762	11/10/22	4613	Kelly Cleaning and Supplies	VPD admin office carpet cleaning	618.00	
55763	11/10/22	5165	Magnum Fence And Security Inc	Dry Storage gate repair, VHV 1431 trash enclosure	956.47	
55764	11/10/22	5210	McCormix Corp.	Maintenance truck fuel	373.68	
55765	11/10/22	5625	ReadyRefresh	Bottled water service	275.85	
55766	11/10/22	6470	LegalShield	Salary reduction benefit	98.65	
55767	11/10/22	6865	Rasmussen & Associates Inc	VHV 1691 ADA restroom, 1575, 1567 ADA, 1559 trash enclosure, 1567 Març	7,426.25	
55768	11/10/22	7032	Alliant Insurance Services	Marketing-event production	449.00	
55769	11/10/22	7762	The Home Depot Pro	VHV 1591 Spinnaker Dr. outlet repair	195.83	
55770	11/10/22	7768	ThyssenKrupp Elevator Corp	VHV/VPD elevator service	4,696.47	
55771	11/10/22	8235	Ventura Chamber Of Commerce	Membership dues	819.00	
55772	11/10/22	8244	Ventura Harbor Storage	Fishermen's gear storage rent	7,859.98	
55773	11/10/22	11595	Alyssa Park	Marketing-content/web creator	617.50	
55774	11/10/22	12702	Aramco, Inc	Janitorial supplies	2,737.70	
55775	11/10/22	14451	Bejeckian, Susan	Marketing-advertising	1,500.00	
55776	11/10/22	15785	Blue Tarp Financial *** VOID ***	Printing error		232.42

# ATTACHMENT 3

Check	Date	Payee	Name	Description	Amount	Voided Amount
55777	11/10/22	16150	Brendan Daly *** VOID ***	Printing error		300.00
55778	11/10/22	17700	Cal Termite *** VOID ***	Printing error		1,890.00
55779	11/10/22	22896	Derecktor Ventura *** VOID ***	Printing error		225.00
55780	11/10/22	25340	Drew William Lurie *** VOID ***	Printing error		300.00
55781	11/10/22	29200	F.C.T. Construction *** VOID ***	Printing error		147,350.00
55782	11/10/22	42245	JPL Construction Inc *** VOID ***	Printing error		825.00
55783	11/10/22	42471	JaniTek Cleaning *** VOID ***	Printing error		1,446.56
55784	11/10/22	44132	Joseph M. Ramieri *** VOID ***	Printing error		300.00
55785	11/10/22	54456	MRI Software, LLC *** VOID ***	Printing error		520.00
55786	11/10/22	61970	Photo-Scan of Los Angeles *** VOID ***	Printing error		957.95
55787	11/10/22	70075	Ricoh USA, Inc. *** VOID ***	Printing error		59.00
55788	11/10/22	76065	Suzan Matsukawa *** VOID ***	Printing error		60.00
55789	11/10/22	82351	Ventura Breeze *** VOID ***	Printing error		1,000.00
55790	11/10/22	85123	WEX Bank *** VOID ***	Printing error		1,721.74
55791	11/10/22	85219	West Marine Pro *** VOID ***	Printing error		48.36
55792	11/10/22	85261	West Coast Air Conditioning *** VOID ***	Printing error		357.50
55793	11/10/22	One time	Jim Smith *** VOID ***	Printing error		2,657.00
55794	11/10/22	One time	Tower Escrow *** VOID ***	Printing error		705.00
55795	11/10/22	PM OneTime	Dr. Ahmad Vehedian *** VOID ***	Printing error		1,312.00
55796	11/10/22	15785	Blue Tarp Financial Inc.	VPD shop tool	232.42	
55797	11/10/22	16150	Brendan Daly	Marketing-advertising	300.00	
55798	11/10/22	17700	Cal Termite & Pest Control	VHV pest control, termite treatment	1,890.00	
55799	11/10/22	22896	Derecktor Ventura Inc.	Boat 1 hydro wash	225.00	
55800	11/10/22	25340	Drew William Lurie	Marketing-entertainment/music	300.00	
55801	11/10/22	29200	F.C.T. Construction	VHV 1567 façade project, 1559 Pergola beams	147,350.00	
55802	11/10/22	42245	JPL Construction Inc	Crane 1 repair parts	825.00	
55803	11/10/22	42471	JaniTek Cleaning Solutions	VHV-NPS janitorial and Marketing/Marina office janitorial	1,446.56	
55804	11/10/22	44132	Joseph M. Ramieri	Marketing-entertainment/music	300.00	
55805	11/10/22	54456	MRI Software, LLC	Software/training support	520.00	
55806	11/10/22	61970	Photo-Scan of Los Angeles	VHV monthly monitoring service	957.95	
55807	11/10/22	70075	Ricoh USA, Inc.	Postage for copier toner replacement supplies	59.00	
55808	11/10/22	76065	Suzan Matsukawa	Marketing-event production	60.00	
55809	11/10/22	82351	Ventura Breeze	Marketing-advertising	1,000.00	
55810	11/10/22	85123	WEX Bank	Patrol vehicle fuel	1,721.74	
55811	11/10/22	85219	West Marine Pro	VPD maintenance trailer light	48.36	
55812	11/10/22	85261	West Coast Air Conditioning	VHV 1431 Spinnaker Dr.. NPS HVAC repairs	357.50	
55813	11/10/22	One time	Jim Smith	Tenant security deposit refund	2,657.00	
55814	11/10/22	One time	Tower Escrow	Refund overpayment from escrow company-Ventura Dive assignment	705.00	

# ATTACHMENT 3

Check	Date	Payee	Name	Description	Amount	Voided Amount
55815	11/10/22	PM OneTime	Dr. Ahmad Vahedian	Tenant security deposit refund	1,312.00	
55816	11/10/22	8251	Ventura Water *** VOID ***	Stub used to list invoices		-
55817	11/10/22	8251	Ventura Water	Utilities	17,368.88	
55818	11/16/22	82391	Ventura County Recorder	Notice of completion-Wayfinding signage	24.00	
55819	11/18/22	6283	Petty Cash Fund	Rolled coin, HP truck parts, Misc maintenance supplies, parking refunds	718.68	
55820	11/22/22	1036	Accurate First Aid Services	Replenish first aid stations	181.94	
55821	11/22/22	1294	Associated Transportation Engineering	Parking management plan	1,284.00	
55822	11/22/22	1440	Beacon Marine Chandlery Inc	VHV 1591 Spinnaker Dr. hardware, irrigation repair	47.96	
55823	11/22/22	1679	Carpi & Clay	Washington lobbyist - July, August and September services	15,000.00	
55824	11/22/22	1725	C E D (California Electrical Distributors)	VHV LED restroom lamps	735.79	
55825	11/22/22	1843	Certified Folder Display	Marketing-certified racks	1,422.70	
55826	11/22/22	1915	Cintas Corp #684	Uniform rental/cleaning; door mats; rags	1,030.65	
55827	11/22/22	1925	City Of San Buenaventura	Trash service	100.00	
55828	11/22/22	2331	Dial Security Inc	Courtesy Dockmasters coverage	696.00	
55829	11/22/22	2448	Downtown Ventura Partners	Marketing-advertising	300.00	
55830	11/22/22	2604	E.J. Harrison & Sons Inc.	Trash service	8,782.78	
55831	11/22/22	2935	Farmer Bros. Co	Coffee supplies	430.43	
55832	11/22/22	2950	Fast Undercar	M45 battery	134.67	
55833	11/22/22	3050	All That's Fit to Print	Marketing-advertising production	320.00	
55834	11/22/22	3100	Flooring 101	VHV 1583 Spinnaker Dr. 206A,206B flooring	8,359.00	
55835	11/22/22	3328	George Kabris	Reimburse wellness/fitness program	300.00	
55836	11/22/22	3655	Herald Printing, Ltd.	Marketing-street banners	195.41	
55837	11/22/22	4057	Health & Human Resource Center	Employee Assistance Program (EAP)	218.82	
55838	11/22/22	4247	Jani-King of CA Inc.	VHV janitorial supplies	425.00	
55839	11/22/22	4293	Jennifer Talt-Lundin	Reimburse-various conferences	700.21	
55840	11/22/22	4563	Karla Ross Productions Inc.	Marketing-entertainment/music	1,550.00	
55841	11/22/22	5165	Magnum Fence And Security Inc	Parcel 19 gate	6,079.00	
55842	11/22/22	5190	Matilija Water	Reverse osmosis system	64.15	
55843	11/22/22	5210	McCormix Corp.	Maintenance truck fuel	746.81	
55844	11/22/22	5213	McMaster-Carr	VPD shop tool	53.76	
55845	11/22/22	5505	Muzicraft Inc.	Ambient music in Village	329.50	
55846	11/22/22	7410	Smith Pipe & Supply Inc.	VHV 1567 irrigation repair, 1449 key card	238.59	
55847	11/22/22	11458	Alexandria Danielson	Marketing-advertising production	1,045.00	
55848	11/22/22	11648	American Shore & Beach	Annual membership	120.00	
55849	11/22/22	12702	Aramco, Inc	Janitorial supplies	731.59	
55850	11/22/22	14451	Bejeckian, Susan	Marketing-advertising	1,500.00	
55851	11/22/22	19252	City of Ventura	Defensible inspection	38.97	
55852	11/22/22	19252	City of Ventura	Defensible inspection	38.97	

### ATTACHMENT 3

<u>Check</u>	<u>Date</u>	<u>Payee</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Voided Amount</u>
55853	11/22/22	19252	City of Ventura	Defensible inspection	38.97	
55854	11/22/22	19673	Clifton Larson Allen LLP	Lease accounting assistance	1,076.25	
55855	11/22/22	20015	Coastal Architects	VHV tenant signage review	2,755.00	
55856	11/22/22	22896	Derecktor Ventura Inc.	Boat 1 haul and clean	340.00	
55857	11/22/22	25340	Drew William Lurie *** VOID ***	Printing error		300.00
55858	11/22/22	26043	EZLease LLC	Lease accounting software	5,000.00	
55859	11/22/22	28661	Eventective, Inc	Marketing-advertising	240.00	
55860	11/22/22	40525	Impact Sciences, Inc	September services-Yacht Club improvements-MND	19,387.50	
55861	11/22/22	40525	Impact Sciences, Inc	October services-Yacht Club-MND for improvements	8,240.00	
55862	11/22/22	42245	JPL Construction Inc	Progress payment towards VPD generator installation project	18,528.80	
55863	11/22/22	42920	Jessica Rauch	Reimburse conference	125.92	
55864	11/22/22	45401	K & L Gates LLP	Aquaculture advocacy	4,000.00	
55865	11/22/22	48375	Lagerlof LLP	Legal services	12,105.00	
55866	11/22/22	51897	Mavcco Fuel	Boat fuel	4,462.65	
55867	11/22/22	56250	Net Chex *** VOID ***	Printing error		520.00
55868	11/22/22	70281	Ring Central Inc	Monthly phone service	1,922.26	
55869	11/22/22	76705	Swift Chip, Inc	IT services, back up server, Microsoft office	9,984.50	
55870	11/22/22	77855	Todd Mitchell	Reimburse- WEDA conference, CMANC conference	2,108.73	
55871	11/22/22	82351	Ventura Breeze	Marketing-advertising	500.00	
55872	11/22/22	PM OneTime	American Pacific Mortgage	Tenant security deposit refund	356.00	
55873	11/23/22	2031	County Of Ventura	VHV county elevator fee	688.00	
55874	11/23/22	4413	Jose A. Gonzalez	Reimburse mileage	17.19	
55875	11/23/22	7013	Rincon Consultants, Inc.	Dredging consulting support	5,880.50	
55876	11/23/22	7434	Southern Calif. Edison *** VOID ***	Stub used to list invoices		-
55877	11/23/22	7434	Southern Calif. Edison	Utilities	14,875.84	
55878	11/23/22	45401	K & L Gates LLP	Aquaculture advocacy	2,120.00	
55879	11/23/22	54456	MRI Software, LLC	Software/training support	520.00	
55880	11/23/22	76014	Sun Life Financial	Dental insurance premiums	1,202.62	
55881	11/23/22	One time	Garret Winter	Reimburse wellness/fitness program	299.99	
Total Enterprise Account Check Register					\$ 398,385.39	\$ 163,432.53

Wells Fargo Grant Account  
no activity

Total Grant Account Check Register \$ - \$ -

Total All Check Registers \$ 398,385.39 \$ 163,432.53

# ATTACHMENT 3

## Accounts Payable Check Register - December 2022

Ventura Port District  
Wells Fargo Enterprise Account

Check	Date	Payee	Name	Description	Amount	Void Amount
55882	12/08/22	000141	AramSCO, Inc	VHV janitorial supp	2,333.95	
55883	12/08/22	000145	Arturo Medina *** VOID ***	Printing error		(300.00)
55884	12/08/22	000160	Bella Vista Designs Inc. *** VOID ***	Printing error		(773.80)
55885	12/08/22	000291	Garden State Fireworks Inc *** VOID ***	Printing error		(5,700.00)
55886	12/08/22	000341	John Higgins *** VOID ***	Printing error		(894.21)
55887	12/08/22	000347	Jose A. Gonzalez *** VOID ***	Printing error		(19.43)
55888	12/08/22	000350	JTech Corporation *** VOID ***	Printing error		(2,480.36)
55889	12/08/22	000429	Patrick Burdick *** VOID ***	Printing error		(300.00)
55890	12/08/22	000448	Randall Williams *** VOID ***	Printing error		(250.00)
55891	12/08/22	000494	Stacey Reed Petrides *** VOID ***	Printing error		(275.00)
55892	12/08/22	000501	Steve Martins Working Wildlife Inc *** VOIE	Printing error		(2,575.00)
55893	12/08/22	000552	Tyler Geck *** VOID ***	Printing error		(100.00)
55894	12/08/22	000602	West Marine Pro *** VOID ***	Printing error		(83.40)
55895	12/08/22	000617	Event Staff Solutions LLC *** VOID ***	Printing error		(450.00)
55896	12/08/22	000618	Goode Time Productions LLC *** VOID **	Printing error		(1,025.00)
55897	12/08/22	000620	Laura J Little *** VOID ***	Printing error		(100.00)
55898	12/08/22	000621	Unifier Entertainment Inc *** VOID ***	Printing error		(1,720.00)
55899	12/08/22	000622	Gabriella Luciani *** VOID ***	Printing error		(100.00)
55900	12/08/22	000625	Bennett Schmid *** VOID ***	Printing error		(800.00)
55901	12/08/22	000584	Ventura Port District *** VOID ***	Printing error		-
55902	12/09/22	000145	Arturo Medina	Marketing-advertising	300.00	
55903	12/09/22	000160	Bella Vista Designs Inc.	Marketing-entertainment/music	773.80	
55904	12/09/22	000291	Garden State Fireworks Inc	Marketing-event production	5,700.00	
55905	12/09/22	000341	John Higgins	Reimburse gym membership, conference travel	894.21	
55906	12/09/22	000347	Jose A. Gonzalez	Reimburse-mileage	19.43	
55907	12/09/22	000429	Patrick Burdick	Marketing-event production	300.00	
55908	12/09/22	000448	Randall Williams	Marketing-event production	250.00	
55909	12/09/22	000494	Stacey Reed Petrides	Marketing-event production	275.00	
55910	12/09/22	000501	Steve Martins Working Wildlife Inc	Marketing-event production	2,575.00	
55911	12/09/22	000552	Tyler Geck	Marketing-event production	100.00	
55912	12/09/22	000602	West Marine Pro	Boat supplies	83.40	
55913	12/09/22	000617	Event Staff Solutions LLC	Marketing-event production	450.00	
55914	12/09/22	000618	Goode Time Productions LLC	Marketing-entertainment/music	1,025.00	



## ATTACHMENT 3

<u>Check</u>	<u>Date</u>	<u>Payee</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Void Amount</u>
55915	12/09/22	000620	Laura J Little	Marketing-event production	100.00	
55916	12/09/22	000621	Unifier Entertainment Inc	Marketing-event production	1,720.00	
55917	12/09/22	000622	Gabriella Luciani	Marketing-event production	100.00	
55918	12/09/22	000623	Avery Ryan	Marketing-entertainment/music	400.00	
55919	12/09/22	000625	Bennett Schmid	Marketing-entertainment/music	800.00	
55920	12/15/22	000138	Angel Lopez Salazar	Reimburse gym membership	300.00	
55921	12/15/22	000114	AFLAC	Salary reduction benefit	1,146.73	
55922	12/15/22	000118	Alexandria Danielson	Marketing-ad production	577.50	
55923	12/15/22	000156	Batteries Plus - Ventura	Boat maintenance	926.97	
55924	12/15/22	000158	Beacon Marine Chandlery Inc	Boat paint and parts	280.34	
55925	12/15/22	000165	Blue Highways Production LLC	Marketing-advertising	700.00	
55926	12/15/22	000174	Brendan Daly	Marketing-event production	1,500.00	
55927	12/15/22	000181	C E D (California Electrical Distributors)	VHV lighting ballast	137.08	
55928	12/15/22	000186	Calif. Special District Assoc.	Annual VCSDA membership	8,810.00	
55929	12/15/22	000198	Carpi & Clay	Washington lobbyist	5,000.00	
55930	12/15/22	000200	Carquest Auto Parts	M44 Battery and maintenance	208.82	
55931	12/15/22	000214	Cintas Corp #684	Uniform rental/cleaning; door mats; rags	1,045.56	
55932	12/15/22	000217	Clifton Larson Allen LLP	Audit progress billing	1,000.00	
55933	12/15/22	000218	Coastal Architects	VHV signage review	2,470.00	
55934	12/15/22	000239	CyberCopy Inc.	Marketing-event production, maps, brochures	766.85	
55935	12/15/22	000251	Dial Security Inc	Courtesy Dockmasters coverage, NPS 1691 and 1431 alarm monitoring	3,556.75	
55936	12/15/22	000263	Duncan McIntosh Co., Inc.	Marketing-advertising	935.00	
55937	12/15/22	000265	E.J. Harrison & Sons Inc.	Trash service	504.80	
55938	12/15/22	000276	Fast Undercar	M43 tail lamp, VPD vehicle wipers	133.53	
55939	12/15/22	000282	FMP Uniform Co.	HP uniforms	387.88	
55940	12/15/22	000302	Grainger Inc.	Lens cleaning, battery stock, shop tools, plumbing parts	363.75	
55941	12/15/22	000321	Image Source	Marketing-advertising, VHV promenade signage	528.42	
55942	12/15/22	000330	JaniTek Cleaning Solutions	NPS janitorial, Marina/Mktg offices	1,327.24	
55943	12/15/22	000350	JTech Corporation *** VOID ***	Revise to include retention amounts		(3,480.33)
55944	12/15/22	000354	K & L Gates LLP	Aquaculture advocacy	1,205.00	
55945	12/15/22	000375	LegalShield	Prepaid legal	90.60	
55946	12/15/22	000377	Liebert Cassidy Whitmore	HR services	6,499.50	
55947	12/15/22	000404	McCormix Corp.	VPD maintenance truck fuel	390.03	
55948	12/15/22	000405	McMaster-Carr	VPD shop tool	32.36	
55949	12/15/22	000414	Noble Consultants Inc.	MND for Yacht Club renovations Dock B,D	2,320.00	
55950	12/15/22	000438	Pitney Bowes	Vlg postage lease	154.29	
55951	12/15/22	000446	Quadient Finance USA Inc	VPD postage refill	1,000.00	

# ATTACHMENT 3

Check	Date	Payee	Name	Description	Amount	Void Amount
55952	12/15/22	000450	ReadyRefresh	Bottled water svc	248.87	
55953	12/15/22	000455	Rincon Consultants, Inc.	CEQA study Derecktor Marine improvements	1,806.75	
55954	12/15/22	000471	Searle Creative Group	Marketing-advertising, web content	1,076.25	
55955	12/15/22	000491	Southern Calif. Edison	Utilities	4,470.62	
55956	12/15/22	000496	Standard Insurance Company	Group Term Life/Long-term Disability	3,519.16	
55957	12/15/22	000516	Susan Bogue	Reimburse-mileage	22.13	
55958	12/15/22	000552	Tyler Geck	Marketing-event production	75.00	
55959	12/15/22	000579	Ventura Harbor Storage	Fishermen's gear storage rent	7,299.66	
55960	12/15/22	000585	Ventura Rental Party Center	Marketing-event production	564.59	
55961	12/15/22	000592	Vision Service Plan-(CA)	Employee vision plan	822.03	
55962	12/15/22	000603	WEX Bank	VPD truck fuel	1,403.95	
55963	12/15/22	000617	Event Staff Solutions LLC	Marketing-event production	450.00	
55964	12/15/22	000619	Rotary Club of Ventura East	Annual Poinsettias	186.00	
55965	12/15/22	000627	F.C.T. Construction	VHV-1567 Spinnaker Dr. facade project	84,262.50	
55966	12/15/22	000628	Channel Watch Marine Services Inc	Boat disposal	3,645.00	
55967	12/15/22	000637	Telcom Inc	Harbor Patrol-radio replacement	8,761.63	
55968	12/15/22	000638	Michael Blumenberg	Reimburse CMANC conference	213.47	
55969	12/15/22	000161	Bellingham Marine Ind. Inc. *** VOID ***	Printing error		(31,830.55)
55970	12/15/22	000174	Brendan Daly *** VOID ***	Printing error		(300.00)
55971	12/15/22	000161	Bellingham Marine Ind. Inc.	Dock project retainer	31,830.55	
55972	12/15/22	000174	Brendan Daly	Marketing-advertising	300.00	
55973	12/15/22	000626	Shirley Rios	Tenant overpayment refund and security deposit refund	730.20	
55974	12/16/22	000350	JTech Corporation *** VOID ***	Printing error		(17,024.60)
55975	12/16/22	000455	Rincon Consultants, Inc. *** VOID ***	Printing error		(18,047.80)
55976	12/16/22	000350	JTech Corporation	Trash enclosure, Wayfinding project	17,024.60	
55977	12/16/22	000455	Rincon Consultants, Inc.	CEQA study Derecktor Marine improvements	18,047.80	
55978	12/21/22	000588	Ventura Water *** VOID ***	Stub used to list invoices		-
55979	12/21/22	000588	Ventura Water	Utilities	17,318.85	
55980	12/21/22	000141	AramSCO, Inc	VHV janitorial supp	2,111.86	
55981	12/21/22	000265	E.J. Harrison & Sons Inc.	Trash service	513.25	
55982	12/21/22	000313	Herald Printing, Ltd.	Marketing-banners	166.97	
55983	12/21/22	000323	Industrial Bolt and Supply	Hardware for annual décor	214.77	
55984	12/21/22	000404	McCormix Corp.	VPD maintenance truck fuel	832.24	
55985	12/21/22	000449	Rasmussen & Associates Inc	Services pertaining to four capital improvements projects	14,985.00	
55986	12/21/22	000471	Searle Creative Group	Marketing-content development, advertising	2,667.50	
55987	12/21/22	000544	Traffic Technologies LLC	VHV parking lot re-stripping	475.78	
55988	12/21/22	000556	Valley Scene Magazine	Marketing-advertising	630.00	

# ATTACHMENT 3

Check	Date	Payee	Name	Description	Amount	Void Amount
55989	12/21/22	000565	Ventura Chamber Of Commerce	Chamber Poinsettia awards dues	120.00	
55990	12/21/22	000571	Ventura County Reporter	Marketing-advertising	140.00	
55991	12/21/22	000572	Ventura County Star	Marketing-advertising	242.87	
55992	12/21/22	000118	Alexandria Danielson	Marketing-ad production	412.50	
55993	12/21/22	000122	All That's Fit to Print	Marketing-ad production	2,388.00	
55994	12/21/22	000141	AramSCO, Inc	VHV janitorial supp	576.93	
55995	12/21/22	000237	Custom Awards & Engraving	Marketing-event production	206.88	
55996	12/21/22	000239	CyberCopy Inc.	Marketing-event production	167.71	
55997	12/21/22	000267	Eishun Fukui	Marketing-entertainment/music	250.00	
55998	12/21/22	000329	Jani-King of CA Inc.	VPD monthly fridge cleaning	75.00	
55999	12/21/22	000346	Jonathan Stanger	Marketing-entertainment/music	300.00	
56000	12/21/22	000348	Joseph M. Ramieri	Marketing-entertainment/music	300.00	
56001	12/21/22	000403	Matthew Relis	Marketing-entertainment/music	300.00	
56002	12/21/22	000414	Noble Consultants Inc.	Professional services - Marina expansion projects	936.00	
56003	12/21/22	000429	Patrick Burdick	Marketing-event production	100.00	
56004	12/21/22	000442	Poster Compliance Center	Annual payroll poster subscription	471.80	
56005	12/21/22	000475	Sema Connect Inc.	Harbor Cove-electric charging station upgrade	800.00	
56006	12/21/22	000502	Steve Stafford	Marketing-entertainment/music	300.00	
56007	12/21/22	000511	Sunridge Landscape Maint., Inc	VPD mowing service	3,240.00	
56008	12/21/22	000515	Susan Bejeckian	Marketing-advertising	1,500.00	
56009	12/21/22	000519	Swift Chip, Inc	IT services, Backup server, Microsoft subscription	9,984.50	
56010	12/21/22	000532	The Holly Workshop *** VOID ***	Vendor revised invoice amount		(65,000.00)
56011	12/21/22	000540	Time To Shine	VPD window washing	2,755.00	
56012	12/21/22	000571	Ventura County Reporter	Marketing-advertising	590.00	
56013	12/21/22	000607	William P. Hummer *** VOID ***	Check reported lost		(285.00)
56014	12/21/22	000639	MRI Software LLC	Accounting set up assistance	715.00	
56015	12/21/22	000370	Lagerlof LLP	Legal	8,112.50	
56016	12/21/22	000532	The Holly Workshop	Annual décor deposit	45,000.00	
56017	12/21/22	000165	Blue Highways Production LLC	Marketing-advertising	700.00	
Total Enterprise Account Check Register					\$ 369,860.46	(153,914.48)

Wells Fargo Grant Account  
no activity

Total Grant Account Check Register \$ - -

Total All Check Registers \$ 369,860.46 (153,914.48)

## ATTACHMENT 4

### Ventura Port District Wells Fargo Business Credit Card Charges October 2022

#### Chase Credit Card holders

Brian Pendleton, General Manager  
Todd Mitchell, Sr. Business Operations Manager  
Jessica Rauch, Administrative Assistant/Clerk  
Gloria Adkins, Accounting Manager  
Joe Gonzalez, Capital Projects Manager  
Sergio Gonzalez, Maintenance Supervisor  
Jennifer Talt-Lundin, Marketing Manager  
Dave Werneburg, Marina Manager  
John Higgins, Harbormaster

<u>Staff Member</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Detailed Descriptions</u>	<u>Amount</u>
Brian Pendleton	10/13/22	Sq *Steven Vuong	Conference	Taxi from Airport to Hotel - CMANC	23.65
Brian Pendleton	10/13/22	Uber Eats	Conference	Lunch - CMANC	24.38
Brian Pendleton	10/13/22	Ristorante Buon Gusto	Conference	Pendleton & Mitchell Dinner - CMANC	76.50
Brian Pendleton	10/13/22	Uber Eats	Conference	Lunch Uber Eats - CMANC	3.00
Brian Pendleton	10/14/22	Embassy Suites Airport	Conference	Lunch - CMANC	6.59
Brian Pendleton	10/17/22	Bob Hope Airport	Conference	Airport Parking - CMANC	30.00
Brian Pendleton	10/17/22	Uber Trip	Conference	Uber from Hotel to Airport - CMANC	17.59
Brian Pendleton	10/17/22	Embassy Suites Airport	Conference	Hotel - CMANC	221.70
Brian Pendleton	10/17/22	Burbank Airport Food & Beverage	Conference	Dinner - CMANC	33.22
Total General Manager's Expenses					436.63
Todd Mitchell	No activity				
Total Senior Business Operations Manager's Expenses					-
Jessica Rauch	10/28/22	Zoom.us	Communication	Virtual communications	104.46
Jessica Rauch	10/20/22	Margarita Villa	Meetings	10/19/22 Commission dinner	167.27
Jessica Rauch	10/04/22	Target 00002980	Meetings	Commission supplies	30.17
Jessica Rauch	10/12/22	Office Depot #5125	Office supplies	New board room Clerk's desk	377.11
Jessica Rauch	10/13/22	All Thats Fit To Print	Office supplies	Large envelope labels with District logo & address	251.40
Jessica Rauch	10/24/22	Iron Mountain	Operating supplies	Iron Mountain shred bin	348.43
Jessica Rauch	10/20/22	Juicer.io / Saas.Group	Subscriptions	Twitter Feed software for VH.com website	19.00
Total Administrative Assistant's Expenses					1,297.84
Gloria Adkins	No activity				
Total Accounting Manager's Expenses					-
Joe Gonzalez	10/24/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	2.99
Total Capital Projects Manager's Expenses					2.99

# ATTACHMENT 4

<u>Staff Member</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Detailed Descriptions</u>	<u>Amount</u>
Sergio Gonzalez	10/31/22	Allcable Inc.	Building maintenance	Infrastructure cable for VHV 1449	262.20
Sergio Gonzalez	10/03/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	0.99
Sergio Gonzalez	10/10/22	Doubletree Parking	Training	JPIA forum training / Hotel parking fee	35.00
Total Maintenance Supervisor's Expenses					298.19
Jennifer Talt-Lundin	10/03/22	Facebook	Advertising	Social media paid ads	50.00
Jennifer Talt-Lundin	10/10/22	Marriott Desert Spring	Conference	Cal Travel Summit Industry Conference	906.33
Jennifer Talt-Lundin	10/31/22	Southwest Airlines	Conference	Visit California Outlook Forum travel for 2023	167.96
Jennifer Talt-Lundin	10/17/22	Sq *vc Balloons	Event production	Photo booth for Halloween weekend	400.00
Jennifer Talt-Lundin	10/20/22	Sq *Lemon & Lei	Event production	HOWL-O-Ween thank you gifts for judge's packet	40.91
Jennifer Talt-Lundin	10/21/22	Hats Unlimited	Event production	HOWL-O-Ween thank you gifts for judge's packet	7.75
Jennifer Talt-Lundin	10/21/22	Lost In Socks	Event production	HOWL-O-Ween thank you gifts for judge's packet	21.57
Jennifer Talt-Lundin	10/24/22	Top This Chocolate	Event production	HOWL-O-Ween thank you gifts for judge's packet	63.90
Jennifer Talt-Lundin	10/24/22	Target.com	Event production	Halloween Trick or Treat / HOWL o Ween & Día de los Muertos display	27.54
Jennifer Talt-Lundin	10/24/22	Target.com	Event production	Halloween Trick or Treat / HOWL o Ween & Día de los Muertos display	94.15
Jennifer Talt-Lundin	10/24/22	Amazon Marketplace	Event production	Halloween Trick or Treat & Día de los Muertos display	358.61
Jennifer Talt-Lundin	10/24/22	Amazon Marketplace	Event production	Halloween Trick or Treat & Día de los Muertos display	23.67
Jennifer Talt-Lundin	10/24/22	Amazon Marketplace	Event production	Halloween Trick or Treat & Día de los Muertos display	256.77
Jennifer Talt-Lundin	10/24/22	Party City	Event production	Halloween Trick or Treat & Día de los Muertos display	41.52
Jennifer Talt-Lundin	10/31/22	Reynaldos European & Mexican	Event production	Halloween Trick or Treat & Día de los Muertos display	27.00
Jennifer Talt-Lundin	10/18/22	Sprout Social, Inc	Web site	Web & Digital - Social Analytics	99.00
Jennifer Talt-Lundin	10/24/22	Mailchimp	Web site	Web & Digital - Enewsletter subscription	205.00
Total Marketing Manager's Expenses					2,791.68
Dave Werneburg	10/10/22	Office Depot #931	Office supplies	Miscellaneous office supplies	12.91
Dave Werneburg	10/27/22	Buy Buy Baby Nash E-Commerce	Office supplies	Cost reimbursed by employee	145.80
Dave Werneburg	10/28/22	Office Depot #931	Office supplies	Misc. office supplies, envelopes, desk pad calendar, etc.	98.82
Dave Werneburg	10/17/22	Pods #103	Operating supplies	Monthly rental of POD unit for storage of furniture	256.75
Total Marina Manager's Expenses					514.28
John Higgins	10/13/22	Beacon Marine	Boat maintenance	Boat supplies	611.54
John Higgins	10/18/22	Fiberglass Hawaii Venture	Boat maintenance	Boat repair materials	174.72
John Higgins	10/03/22	Samsclub.com	Operating supplies	Storage shelves for landscaping container	655.43
John Higgins	10/05/22	Ring Protect Plus	Operating supplies	Ring camera storage	100.00
John Higgins	10/11/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	2.99
John Higgins	10/17/22	DirectTV	Operating supplies	Communications/news and information	86.99
John Higgins	10/28/22	Costco Whse #0420	Operating supplies	Wellness supplies & safety gloves	567.87
John Higgins	10/14/22	California Peace Officer Assoc.	Training	Training	75.00
John Higgins	10/20/22	Marin Consulting Associates	Training	Supervisor training - Ryan Sutherland	375.00
John Higgins	10/17/22	5.11, Inc.	Uniforms	Uniform pants	374.97
John Higgins	10/27/22	Custom Embroidery	Uniforms	Uniform patches	208.00
John Higgins	10/27/22	Sellmark Corporation	Uniforms	Batteries for night vision goggles	151.76
Total Harbormaster's Expenses					3,384.27
Total Wells Fargo Credit Card Expenses					<u>\$ 8,725.88</u>

## ATTACHMENT 4

### Ventura Port District Wells Fargo Business Credit Card Charges November 2022

#### Chase Credit Card holders

Brian Pendleton, General Manager  
 Todd Mitchell, Sr. Business Operations Manager  
 Jessica Rauch, Administrative Assistant/Clerk  
 Gloria Adkins, Accounting Manager  
 Joe Gonzalez, Capital Projects Manager  
 Sergio Gonzalez, Maintenance Supervisor  
 Jennifer Talt-Lundin, Marketing Manager  
 Dave Werneburg, Marina Manager  
 John Higgins, Harbormaster

<u>Staff Member</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Detailed Descriptions</u>	<u>Amount</u>
Brian Pendleton	11/23/22	Brophy Bros.	Conference	Aquaculture meeting- Pendleton, Mitchell & Robert Smith (K&L Gates)	78.67
Brian Pendleton	11/10/22	California Special District Assoc.	Conference	CSDA CSDM study group-professional development	100.00
Total General Manager's Expenses					178.67
Todd Mitchell	11/03/22	Opc State Wb Fee	Dredging	Water Control Board Permit Fee- credit card transaction fee	55.59
Todd Mitchell	11/03/22	State Water Board	Dredging	Water Control Board Permit Waiver fee	2,417.00
Total Senior Business Operations Manager's Expenses					2,472.59
Jessica Rauch	11/21/22	USPS	Advertising	Certified mailings-Tribal Consultations-Yacht Club Dock Replacement Project	15.61
Jessica Rauch	11/16/22	Loopnet Inc.	Advertising	Reimbursement for Loopnet ad	(164.00)
Jessica Rauch	11/28/22	Zoom.us	Communication	Virtual communications	104.46
Jessica Rauch	11/02/22	Ventura Chamber Of Commerce	Conference	Pendleton- Economic Outlook registration	60.00
Jessica Rauch	11/07/22	Ventura Chamber Of Commerce	Conference	Stephens- Economic Outlook registration	60.00
Jessica Rauch	11/11/22	Embassy Suites Monterey Bay	Conference	CSDA Clerk's Conference hotel	608.49
Jessica Rauch	11/18/22	Boatyard Pub	Conference	11/16/22 Commissioner dinner	207.92
Jessica Rauch	11/16/22	Michaels Stores 4800	Office supplies	Proclamation/Resolution frames	19.37
Jessica Rauch	11/30/22	Custom Awards And Engravi	Office supplies	John Collins retirement plaque	59.27
Jessica Rauch	11/23/22	Iron Mountain	Operating supplies	Iron Mountain shred bin	134.30
Jessica Rauch	11/21/22	Juicer.io / Saas.Group	Subscriptions	Twitter Feed software for VH.com website	19.00
Jessica Rauch	11/15/22	Liebertcass	Training	LCW Legislative Updates webinar	75.00
Total Administrative Assistant's Expenses					1,199.42
Gloria Adkins	11/18/22	Government Finance Officers Assoc.	Membership	Annual memberships-Adkins & Perkins	310.00
Total Accounting Manager's Expenses					310.00
Joe Gonzalez	11/25/22	Bird B Gone	Grounds maintenance	Bird Spikes for parking lot light poles	117.50
Joe Gonzalez	11/23/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	2.99
Total Capital Projects Manager's Expenses					120.49

# ATTACHMENT 4

<u>Staff Member</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Detailed Descriptions</u>	<u>Amount</u>
Sergio Gonzalez	11/01/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	0.99
Total Maintenance Supervisor's Expenses					0.99
Jennifer Talt-Lundin	11/01/22	Facebook	Advertising	Social media paid ads	628.27
Jennifer Talt-Lundin	11/22/22	All Thats Fit To Print	Advertising	Stickers for retail tenants for holiday shopping	410.11
Jennifer Talt-Lundin	11/25/22	Visit California	Conferences	Visit California Outlook Forum - early bird registration-Talt-Lundin	649.00
Jennifer Talt-Lundin	11/25/22	Visit California	Conferences	Visit California Outlook Forum - early bird registration-Emery	649.00
Jennifer Talt-Lundin	11/18/22	Vistaprint	Event cards	Holiday event cards	379.08
Jennifer Talt-Lundin	11/08/22	Big Lots Stores - #4030	Event production	Glowing lights necklaces for Parade of Lights	32.33
Jennifer Talt-Lundin	11/09/22	Target 00002980	Event production	Halloween Trick or Treat & Día de los Muertos Display	(6.47)
Jennifer Talt-Lundin	11/14/22	Froggys Fog	Event production	Snow Juice for holiday events	808.05
Jennifer Talt-Lundin	11/18/22	Opc*Ventura Rma	Event production	County Fees for food vendors for Parade of Lights	130.86
Jennifer Talt-Lundin	11/18/22	Opc Msc*service Fee 024	Event production	County Fees for food vendors for Parade of Lights	10.07
Jennifer Talt-Lundin	11/18/22	Opc Msc*service Fee 024	Event production	County Fees for food vendors for Parade of Lights	2.81
Jennifer Talt-Lundin	11/18/22	Opc*Ventura Rma	Event production	County Fees for food vendors for Parade of Lights	468.29
Jennifer Talt-Lundin	11/18/22	Sprout Social, Inc	Web site	Web & Digital - Social Analytics	99.00
Jennifer Talt-Lundin	11/22/22	Mailchimp	Web site	Web & Digital - Enewsletter subscription	205.00
Total Marketing Manager's Expenses					4,465.40
Dave Werneburg	11/25/22	Mikes Consignment Marine	Dock repairs	Replacement shore power cord	21.55
Dave Werneburg	11/07/22	Office Depot #931	Office supplies	Replacement wireless keyboard and mouse for Dockmasters	44.00
Dave Werneburg	11/15/22	Pods #103	Operating supplies	Monthly rental of POD unit for storage of furniture	256.75
Total Marina Manager's Expenses					322.30
John Higgins	11/01/22	Lowes #01734	Boat maintenance	Maintenance supplies Boat 19	(171.32)
John Higgins	11/01/22	Lowes #01734	Boat maintenance	Maintenance supplies Boat 19	220.37
John Higgins	11/01/22	VC Metals Inc.	Boat maintenance	Boat repair materials	92.41
John Higgins	11/10/22	City of Anaheim Convention Center	Conference	Conference parking	20.00
John Higgins	11/10/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	2.99
John Higgins	11/15/22	DirectTV	Operating supplies	Communications/news and information	86.99
John Higgins	11/21/22	Lorex	Operating supplies	Port District security camera suite	915.86
John Higgins	11/22/22	Diversified Products	Operating supplies	Radio cover for boat	65.00
John Higgins	11/25/22	Currency Conversion Fee	Operating supplies	Network camera Harbor entrance foreign VAT fee	3.12
John Higgins	11/25/22	PayPal	Operating supplies	Streaming Harbor entrance camera subscription	312.20
John Higgins	11/14/22	Meditackits.com	Operating supplies	Oxygen bottles	459.54
John Higgins	11/14/22	Gold Coast Recycling & Transfer Station	Salvage	SAVE boat disposal	72.29
John Higgins	11/10/22	Helly Hansen U.S. Inc.	Uniforms	Rain pants	234.12
Total Harbormaster's Expenses					2,313.57
Total Wells Fargo Credit Card Expenses					<u>\$ 11,383.43</u>

## ATTACHMENT 4

### Ventura Port District Wells Fargo Business Credit Card Charges December 2022

Chase Credit Card holders

Brian Pendleton, General Manager  
 Todd Mitchell, Sr. Business Operations Manager  
 Jessica Rauch, Administrative Assistant/Clerk  
 Gloria Adkins, Accounting Manager  
 Joe Gonzalez, Capital Projects Manager  
 Sergio Gonzalez, Maintenance Supervisor  
 Jennifer Talt-Lundin, Marketing Manager  
 Dave Werneburg, Marina Manager  
 John Higgins, Harbormaster

<u>Staff Member</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Detailed Descriptions</u>	<u>Amount</u>
Brian Pendleton	12/14/22	Ventura County Star	Advertising	Request for Proposal notices for capital projects and services	5,264.08
Total General Manager's Expenses					5,264.08
Todd Mitchell	12/02/22	City Of Ventura- Park 1	Conference	Visit Ventura Promotion Event-parking	4.00
Total Senior Business Operations Manager's Expenses					4.00
Jessica Rauch	12/02/22	USPS Post Office 0581300052	Advertising	Parcel 20/14 Redevelopment Tribal Consultations for CEQA	94.20
Jessica Rauch	12/05/22	Our Community USA LLC	Advertising	Leasing Advertisement	650.00
Jessica Rauch	12/12/22	Ventura County Star	Advertising	Request for Proposal notices for capital projects and services	3,312.71
Jessica Rauch	12/28/22	Zoom.U.S	Communication	Virtual communications	104.46
Jessica Rauch	12/01/22	California Special District Assoc	Conference	CSDA Records Management Training	200.00
Jessica Rauch	12/23/22	The Greek At The Harbor	Conference	12/21/22 Commission dinner	172.32
Jessica Rauch	12/05/22	Hats Unlimited-Ventura	Employee appreciation	Staff holiday party raffle prize	25.00
Jessica Rauch	12/05/22	Coastal Cone & Parlor	Employee appreciation	Staff holiday party raffle prize	25.00
Jessica Rauch	12/05/22	Sq *Sugar Lab Bake Shop	Employee appreciation	Staff holiday party raffle prize	25.00
Jessica Rauch	12/06/22	Djs California Catering	Employee appreciation	Staff holiday party catering	2,006.66
Jessica Rauch	12/07/22	Sq *Lemon & Lei	Employee appreciation	Staff holiday party raffle prize	25.00
Jessica Rauch	12/08/22	Island Packers Cruises	Employee appreciation	Staff holiday party raffle grand prize	85.00
Jessica Rauch	12/20/22	Juicer.io / Saas.Group	Subscriptions	Twitter Feed software for VH.com website	19.00
Jessica Rauch	12/07/22	Vons #2164	Office supplies	Miscellaneous office supplies	9.87
Jessica Rauch	12/22/22	Iron Mountain	Operating supplies	Iron Mountain shred bin	135.56
Total Administrative Assistant's Expenses					6,889.78
Gloria Adkins	12/14/22	Ventura County Star	Advertising	RFP legal filing notices	5,264.00
Gloria Adkins	12/16/22	Government Finance Office	Conference	Training conference-Perkins	1,197.00
Total Accounting Manager's Expenses					6,461.00



# ATTACHMENT 4

<u>Staff Member</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Detailed Descriptions</u>	<u>Amount</u>
Joe Gonzalez	12/23/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	2.99
Total Capital Projects Manager's Expenses					2.99
Sergio Gonzalez	12/19/22	Baja Bay Surf N Taco	Employee appreciation	Maintenance crew dinner working on POL 12/16/22	74.13
Sergio Gonzalez	12/19/22	Baja Bay Surf N Taco	Employee appreciation	Maintenance crew dinner working on POL 12/17/22	55.60
Sergio Gonzalez	12/19/22	Vons #2431	Employee appreciation	Maintenance crew dinner working OT on POL 12/16/22	77.48
Sergio Gonzalez	12/01/22	Landscape Lighting World	Grounds maintenance	Low voltage lights for VPD grounds	329.16
Sergio Gonzalez	12/02/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	0.99
Total Maintenance Supervisor's Expenses					537.36
Jennifer Talt-Lundin	12/01/22	Facebook	Advertising	Social media paid ads	477.53
Jennifer Talt-Lundin	12/19/22	Facebook	Advertising	Social media paid ads	900.00
Jennifer Talt-Lundin	12/05/22	Albertsons #0355	Event production	Winter Wonderland & Parade of Lights supplies	69.30
Jennifer Talt-Lundin	12/05/22	Smart And Final 915	Event production	Winter Wonderland & Parade of Lights supplies	19.99
Jennifer Talt-Lundin	12/06/22	Wm Supercenter #2032	Event production	Winter Wonderland & Parade of Lights supplies	18.55
Jennifer Talt-Lundin	12/07/22	Wm Supercenter #2032	Event production	Winter Wonderland & Parade of Lights supplies	18.55
Jennifer Talt-Lundin	12/07/22	Hobby Lobby #606	Event production	Winter Wonderland & Parade of Lights supplies	115.56
Jennifer Talt-Lundin	12/07/22	Party City 1516	Event production	Winter Wonderland & Parade of Lights supplies	15.84
Jennifer Talt-Lundin	12/08/22	Wm Supercenter #2032	Event production	Winter Wonderland & Parade of Lights supplies	(18.55)
Jennifer Talt-Lundin	12/09/22	Amazon Marketplace	Event production	Winter Wonderland & Parade of Lights supplies	8.61
Jennifer Talt-Lundin	12/09/22	Amazon Marketplace	Event production	Winter Wonderland & Parade of Lights supplies	161.58
Jennifer Talt-Lundin	12/12/22	Smart And Final 915	Event production	Winter Wonderland & Parade of Lights supplies	129.36
Jennifer Talt-Lundin	12/12/22	Trader Joes #218 Qps	Event production	Live garland for Santa's sleigh decor -Winter Wonderland & Holiday Marketplac	27.99
Jennifer Talt-Lundin	12/14/22	Sq *Sugar Lab Bake Shop	Event production	Parade of Lights supplies	57.60
Jennifer Talt-Lundin	12/14/22	West Marine #1268	Event production	Parade of Lights supplies	8.13
Jennifer Talt-Lundin	12/15/22	Michaels Stores 4800	Event production	Parade of Lights supplies	12.81
Jennifer Talt-Lundin	12/15/22	Sq *vc Balloons	Event production	Parade of Lights supplies	123.34
Jennifer Talt-Lundin	12/15/22	City Of Ventura -Fire	Event production	Parade of Lights supplies	1,848.96
Jennifer Talt-Lundin	12/19/22	Party City 1516	Event production	Parade of Lights supplies	47.85
Jennifer Talt-Lundin	12/19/22	The Greek At The Harbor	Event production	Parade of Lights supplies	34.67
Jennifer Talt-Lundin	12/19/22	Tst* Brophy Bros. - Ventura	Event production	Parade of Lights supplies	28.47
Jennifer Talt-Lundin	12/19/22	Starbucks Store 06825	Event production	Parade of Lights supplies	25.00
Jennifer Talt-Lundin	12/19/22	Reynaldos European&Mexican	Event production	Parade of Lights supplies	21.00
Jennifer Talt-Lundin	12/19/22	The Greek At The Harbor	Event production	Parade of Lights supplies	90.64
Jennifer Talt-Lundin	12/19/22	Sq *Sugar Lab Bake Shop	Event production	Parade of Lights supplies	26.39
Jennifer Talt-Lundin	12/19/22	Sprout Social, Inc	Web site	Web & Digital - Social Analytics	124.74
Jennifer Talt-Lundin	12/22/22	Mailchimp	Web site	Web & Digital - Enewsletter subscription	205.00
Total Marketing Manager's Expenses					4,598.91
Dave Werneburg	12/05/22	Office Depot #931	Office supplies	Annual Microsoft Office renewal.	99.99
Dave Werneburg	12/09/22	Office Depot #931	Office supplies	Miscellaneous office supplies for Dockmasters	41.56
Dave Werneburg	12/15/22	Pods #103	Operating supplies	Monthly rental of POD unit for storage of furniture	256.75
Total Marina Manager's Expenses					398.30

# ATTACHMENT 4

<u>Staff Member</u>	<u>Trans Date</u>	<u>Vendor</u>	<u>Category</u>	<u>Detailed Descriptions</u>	<u>Amount</u>
John Higgins	12/19/22	Sharkys Ventura Web	Employee appreciation	Charged in error	54.68
John Higgins	12/19/22	Sharkys Ventura Web	Employee appreciation	Charged in error refund	(54.68)
John Higgins	12/19/22	Sharkys Ventura Web	Employee appreciation	Patrol & Dockmaster crew dinner working on POL 12/17/22	141.42
John Higgins	12/19/22	Sharkys Ventura Web	Employee appreciation	Patrol & Dockmaster crew dinner working on POL 12/17/22	109.37
John Higgins	12/06/22	Currency Conversion Fee	Operating supplies	Webcam currency conversion fee	4.07
John Higgins	12/12/22	Apple.Com/Bill	Operating supplies	Monthly cell phone back up/storage	2.99
John Higgins	12/15/22	DirectTV	Operating supplies	Communications/news and information	86.99
John Higgins	12/16/22	eBay O*09-09475-27011	Operating supplies	Radio antennas	46.98
John Higgins	12/16/22	Getstreamline.Com Web	Operating supplies	Harbor Patrol website	300.00
John Higgins	12/12/22	Gold Coast Recycling & Transfer Station	Salvage	SAVE boat disposal	151.85
John Higgins	12/29/22	Gold Coast Recycling & Transfer Station	Salvage	SAVE boat disposal	72.29
John Higgins	12/06/22	Sq *Empire Scuba & Supplies	Uniform	Female dive mask for Taylor Plasch	406.54
Total Harbormaster's Expenses					1,322.50
Total Wells Fargo Credit Card Expenses					<u>\$ 25,478.92</u>

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

Meeting Date: April 19, 2023

TO: Board of Port Commissioners  
 CC: Brian D. Pendleton, General Manager  
 FROM: Gloria Adkins, Accounting Manager  
 SUBJECT: Quarterly Treasurers Report – December 31, 2022

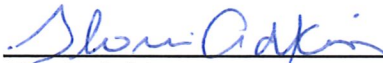
As of December 31, 2022, the District held cash and investments with a market value of \$16,871,176. Funds held in investments represent those not needed for general operating activities.

Local Agency Investment Fund (LAIF) holds 96% of the December 31, 2022 total fund balance:

Enterprise (Operating) Fund	\$6,455,818
Dredging Reserve Fund	3,015,864
Capital Improvement Fund	6,454,398
Capital Improvement –Fisheries Fund	202,130
Total Funds	\$16,128,210

The Investment Portfolio Report for December 31, 2022 attached herewith includes all of the District's Funds.

Submitted by:



Gloria Adkins  
 Accounting Manager

Date: April 13, 2023

**ATTACHMENTS:**

Attachment 1 – Investment Portfolio Report for December 31, 2022

Attachment 2 – LAIF Performance Report for December 31, 2022

## ATTACHMENT 1

**Ventura Port District  
Investment Portfolio Report  
Quarter Ending 12/31/2022**

<u>Security Type</u>	<u>Issuer</u>	<u>CUSIP Number</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Market Value Source</u>
<b><u>Cash Investments</u></b>									
State Pool (LAIF)	LAIF-State Treasury		On Demand	2.07%	16,434,060	16,434,060	96%	16,128,210	LAIF
<b>Total Cash Investments LAIF</b>						<b>\$ 16,434,060</b>	<b>96%</b>	<b>\$ 16,128,210</b>	
<b><u>Cash Deposits</u></b>									
Demand Deposits-									
Main checking	Wells Fargo		On Demand	N/A	N/A	548,298	3%	548,298	Wells Fargo
Merchant Services Account	Wells Fargo		On Demand	N/A	N/A	131,070	0.8%	131,070	Wells Fargo
SLC Grant Fund checking	Wells Fargo		On Demand	N/A	N/A	42,105	0.2%	42,105	Wells Fargo
Petty Cash	Ventura Port District		On Demand	N/A	N/A	2,538	0.01%	2,538	Ventura Port District
<b>Total Cash Deposits</b>						<b>\$ 724,011</b>	<b>4%</b>	<b>\$ 724,011</b>	
<b><u>Cash in County Treasurer's Pooled Investment Program</u></b>									
County Treasurer's Pool	Ventura County Treasury		On Demand	2.30%	18,955	18,955	0.1%	18,955	Ventura County Treasury
<b>Total Cash in County Treasury</b>						<b>\$ 18,955</b>	<b>0.1%</b>	<b>\$ 18,955</b>	
<b>TOTAL ALL FUNDS</b>						<b>\$ 17,177,026</b>	<b>100%</b>	<b>\$ 16,871,176</b>	

## Notes:

I certify that this report accurately reflects all of the Districts investments, and is in conformance with the adopted District Investment Policy.  
Furthermore, I certify to the best of my knowledge, sufficient investment liquidity and anticipated revenues are available to the meet the District's budgeted expenditure requirements for the next six months.

4/13/2023

Submitted by:



## ATTACHMENT 2



# PMIA/LAIF Performance Report as of 01/18/23



### PMIA Average Monthly Effective Yields<sup>(1)</sup>

December	2.173
November	2.007
October	1.772

### Quarterly Performance Quarter Ended 12/31/22

LAIF Apportionment Rate <sup>(2)</sup> :	2.07
LAIF Earnings Ratio <sup>(2)</sup> :	0.00005680946709337
LAIF Fair Value Factor <sup>(1)</sup> :	0.981389258
PMIA Daily <sup>(1)</sup> :	2.29
PMIA Quarter to Date <sup>(1)</sup> :	1.98
PMIA Average Life <sup>(1)</sup> :	287

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 12/31/22 \$199.6 billion

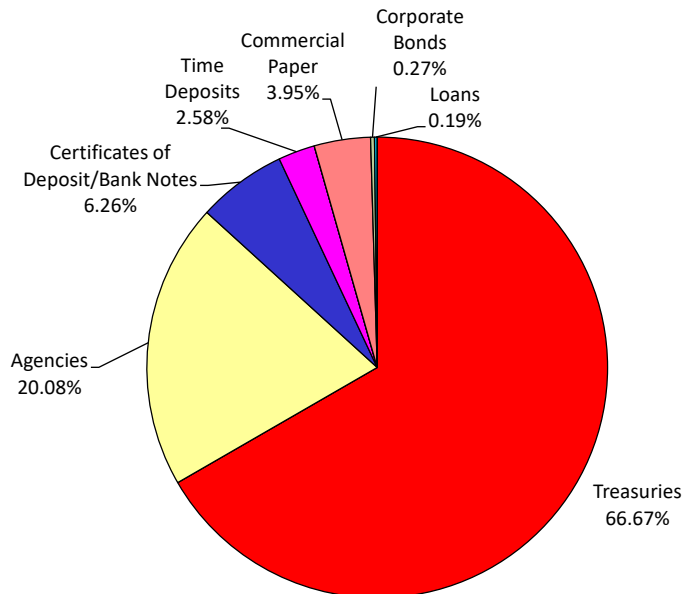


Chart does not include \$3,466,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller