



Jim Hurst
Chair

Doug Albin
Commissioner

Richard Shoemaker
Commissioner

Dan Platt
Commissioner

Grant Downie
Commissioner

Anna Neumann
Harbormaster

NOYO HARBOR COMMISSION REGULAR MEETING AGENDA

Thursday, May 11th, 2023 at 6PM

Fort Bragg Town Hall

363 N. Main Street,
Fort Bragg, CA

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT ON NON-AGENDA ITEMS:

The Noyo Harbor Commission welcomes input from the public. Please limit your comments to five minutes so that everyone may be heard. The Brown Act does not allow action to be taken on non-agenda items.

CORRESPONDENCE:

None

CONSENT CALENDAR

1. Approval of Minutes – Regular Meeting April 13th, 2023
2. Treasurer's report – April 2022
3. Approval of Minutes – Special Meeting April 25th, 2023

CONDUCT OF BUSINESS:

1. Discussion on Resolution 2023-x Otter
2. Discussion and possible action on vessels that overstay reservations

3. Discussion on FEMA disaster 4683DR
4. Discussion and possible action on Internal Revenue Services
5. Discussion and possible action on auditor results
6. Discussion on budget draft 1

CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one potential case)

STAFF REPORTS AND RECOMMENDATIONS:

District Office:

Fish Markets

Police Activity League

Salmon BBQ

FV Christine

Attorney Report:

Matters from the Commissioners:

ADJOURNEMENT: To the next regular meeting of Thursday June 8th, 2023 6pm.

NOYO HARBOR DISTRICT
STATEMENT OF ACCOUNTS
30-Apr-23

Chase Checking	\$311,658.31
Chase Money Market	\$194,020.64
LAIF	\$1,690,758.63

TOTAL OF ALL ACCOUNTS	\$2,196,437.58
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Noyo Harbor District Profit & Loss

April 2023
Apr 23

Ordinary Income/Expense	
Income	
Ground Rent	1,585.00
Interest Income	11,319.15
Late Fees	30.00
Park & Launch	350.00
Property Tax RevCurrent	46,670.97
Slip Rental Contract	30,896.59
Slip Rental Transient	5,131.96
Total Income	95,983.67
Gross Profit	95,983.67
Expense	
Bank Charges	9.95
Communications Expense	113.99
Dues and Subscriptions Exp	360.50
Emp. Health & Dental Insurance	1,963.64
Fuel Expense	79.60
Legal and Professional Fees	787.50
Office Expense	1,524.52
Operating Supplies	326.10
Payroll Tax Expense	4,233.75
Power	4,684.62
Repairs & Maintenance	1,372.50
Salary Expense	2,349.23
Sep. Ira	627.36
Utilities Expense	5,122.88
Wages Expense (Hourly)	3,888.75
Total Expense	27,444.89
Net Ordinary Income	68,538.78
Other Income/Expense	
Other Expense	
Oil Spill Response 2022-23	1,632.76
Total Other Expense	1,632.76
Net Other Income	-1,632.76
Net Income	66,906.02

Noyo Harbor District
Profit & Loss Budget vs. Actual
April 2023

	<u>Apr 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Electricity	0.00	1,250.00	-1,250.00	0.0%
Encroachment Leases	0.00	0.00	0.00	0.0%
Fish Markets	0.00	250.00	-250.00	0.0%
Ground Rent	1,585.00	3,333.31	-1,748.31	47.55%
Hoist Fees	0.00	83.33	-83.33	0.0%
Interest Income	11,319.15	402.50	10,916.65	2,812.21%
Late Fees	30.00	333.33	-303.33	9.0%
Park & Launch	350.00	2,916.66	-2,566.66	12.0%
Property Tax RevCurrent	46,670.97	0.00	46,670.97	100.0%
Slip Rental Contract	30,896.59	54,166.66	-23,270.07	57.04%
Slip Rental Transient	5,131.96	5,000.00	131.96	102.64%
Total Income	<u>95,983.67</u>	<u>67,735.79</u>	<u>28,247.88</u>	<u>141.7%</u>
Gross Profit	95,983.67	67,735.79	28,247.88	141.7%
Expense				
Advertising Expense	0.00	250.00	-250.00	0.0%
Bank Charges	9.95			
Communications Expense	113.99	250.00	-136.01	45.6%
Conferences & Meetings	0.00	416.66	-416.66	0.0%
CSP General	0.00	0.00	0.00	0.0%
DBW SAVE 20/21 Grant	0.00	0.00	0.00	0.0%
Deferred Maintenance	0.00	2,500.00	-2,500.00	0.0%
Dues and Subscriptions Exp	360.50	1,000.00	-639.50	36.05%
Emp. Health & Dental Insurance	1,963.64	2,083.33	-119.69	94.26%
Equipment Expense	0.00	83.33	-83.33	0.0%
Equipment Purchase	0.00	333.33	-333.33	0.0%
Fuel Expense	79.60	133.33	-53.73	59.7%
Insurance Property & Liability	0.00	0.00	0.00	0.0%
Legal and Professional Fees	787.50	2,916.66	-2,129.16	27.0%
Office Expense	1,524.52	625.00	899.52	243.92%
Operating Supplies	326.10	750.00	-423.90	43.48%
Outside Services	0.00	83.33	-83.33	0.0%
Payroll Tax Expense	4,233.75	2,583.33	1,650.42	163.89%
Power	4,684.62	4,583.37	101.25	102.21%
Professional Expense	0.00	1,666.66	-1,666.66	0.0%
Repairs & Maintenance	1,372.50	3,750.00	-2,377.50	36.6%
Salary Expense	2,349.23	5,650.00	-3,300.77	41.58%
Sep. Ira	627.36	1,250.00	-622.64	50.19%
Taxes & Assessments	0.00	250.00	-250.00	0.0%
Tsunami Haz Mid Grand	0.00	0.00	0.00	0.0%
Utilities Expense	5,122.88	4,090.90	1,031.98	125.23%
Wages Expense (Hourly)	3,888.75	11,474.66	-7,585.91	33.89%
Workers' Comp.	0.00	1,000.00	-1,000.00	0.0%

Noyo Harbor District

Profit & Loss Budget vs. Actual

April 2023

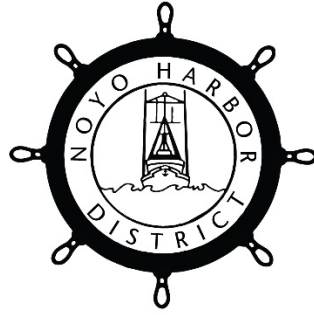
	<u>Apr 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Total Expense	<u>27,444.89</u>	<u>47,723.89</u>	<u>-20,279.00</u>	<u>57.51%</u>
Net Ordinary Income	<u>68,538.78</u>	<u>20,011.90</u>	<u>48,526.88</u>	<u>342.49%</u>
Other Income/Expense				
Other Expense				
Oil Spill Response 2022-23	<u>1,632.76</u>			
Total Other Expense	<u>1,632.76</u>			
Net Other Income	<u>-1,632.76</u>			
Net Income	<u><u>66,906.02</u></u>	<u><u>20,011.90</u></u>	<u><u>46,894.12</u></u>	<u><u>334.33%</u></u>

Noyo Harbor District

Paycheck history report

Paychecks from Apr 01, 2023 to Apr 30, 2023 for all employees from all locations

Pay date	Name	Total pay	Net pay	Check Number
04/17/2023	Koski, Bruce null	\$ 734.40	\$ 649.11	16406
04/17/2023	Koski, Jay	\$ 2,091.20	\$ 1,633.47	16407
04/17/2023	McLaughlin, Kimberly A	\$ 764.64	\$ 673.08	16408
04/17/2023	Neumann, Anna T	\$ 2,825.00	\$ 2,349.23	16409
04/17/2023	Scofield, Robert	\$ 1,094.21	\$ 933.09	16410
04/03/2023	Koski, Bruce null	\$ 725.22	\$ 641.85	16400
04/03/2023	Koski, Jay	\$ 2,509.44	\$ 1,894.00	16401
04/03/2023	McLaughlin, Kimberly A	\$ 1,017.36	\$ 873.37	16402
04/03/2023	Neumann, Anna T	\$ 2,825.00	\$ 2,349.22	16403
04/03/2023	Scofield, Robert	\$ 1,029.84	\$ 883.24	16404
	Total	\$ 15,616.31	\$ 12,879.66	



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Commissioner

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Dan Platt
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Grant Downie
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Anna Neumann
Harbormaster

NOYO HARBOR COMMISSION REGULAR MEETING MINUTES

Thursday, April 13th, 2023 at 6PM

Fort Bragg Town Hall

363 N. Main Street,
Fort Bragg, CA

CALL TO ORDER: Jim Hurst 6:00 PM

ROLL CALL: All Present

PLEDGE OF ALLEGIANCE: Grant Downie

PUBLIC COMMENT ON NON-AGENDA ITEMS: None

CORRESPONDENCE:

Letter from Steven L. Rebuck: Commissioner Downie who is also on the California Sea Urchin Commission led the discussion concerning the re-introduction of Sea Otters to our local coastline. Grant Downie believes the re-introduction of Sea Otters to be detrimental to our fisheries. He will be attending the Sea Otter Summit in May and will speak on the subject. The re-introduction of Sea Otters has not proven to be successful and is also detrimental to the Sea Otters as many do not survive. He would like to see support from the Noyo Harbor Commission concerning the opposition in the form of a letter.

Re-introduction of Sea Otters will be placed as an agenda item to be discussed on the Regular Meeting Agenda for May.

CONSENT CALENDAR

MOTION: Jim Hurst moved that the Regular Meeting Minutes from March 9, 2023 be removed and corrections be made to read Lucas Wharf in Bodega is now closed, and the title of Huffman to be read as Representative Huffman. Richard Shoemaker 2nd, Approved 5-0-0

MOTION: Dan Platt then moved to accept the meeting minutes and Treasurer's report from March 2023 after changes. 2nd by Doug Albin. Approved 5-0-0

CONDUCT OF BUSINESS:

1. Discussion on results of the California Department of Finance- COVID 19 Audits:

It was found, during the audit, that the revenues for the Harbor District were not over reported but were, in fact, under-reported. It was also discovered that it was not in error to report Harbor Revenue's in the way they were reported, as all revenues, since that was what was requested on the form application.

The Commission feels confident that the Harbor District is closer to being able to utilize those funds when needed.

2. Discussion and possible action on Internal Revenue Service's 2019-2020 payroll taxes:

It was found, by the IRS, that the 2018-2019 payroll taxes were not paid to the IRS by the Noyo Harbor District. There is a large sum owed, with penalties. The Harbor District will be assigned an IRS Agent which could take up to 90 days. Penalties will continue to grow until the issue is resolved. Chandra Blenco has been contacted as the Enrolled Agent to advise the district on how to move forward. Stacy Bradley, in public attendance at the meeting, recommended looking into the Sage Program to determine what was owed and what should have been filed. Anna Neumann will continue looking into the issue.

3. Discussion and possible action on a flat rate for electrical services for slip holders:

Noyo Harbor must be compensated for the PG&E electrical charges. Anna Neumann led the discussion on the problem that exists on how to charge electricity for boats mooring in our marina. She has concerns that most slips do not have meters, boat owners often dispute usage billed, large vessels use more than small vessels, many boats come and go from their slips for extended periods of time, and the staffing hours it is taking to retrieve Amp usage manually and convert that to charges. Anna recommends a flat rate be issued, based on the average of past electric usage per boat annually.

The issue will be placed on the next meeting agenda in May for further discussion and possible action.

4. Discussion and possible action on the Resolution 2023-x Clean California Grant:

The Grant goals are to increase beauty and usage of public areas. There is a 7 % match for the \$1,061,515 grant determined to be at \$74,306 which can be covered by the Save Grant. The projected costs are, Restroom Upgrade \$314,400, Vessel removal and destruction \$691,200, and Clean-up/Murals \$55,915.

There are 6 additional vessels that will be removed. The funds would need to be spent by 2026.

MOTION: Richard Shoemaker moved to approve the 2023-x Resolution to Authorize the Harbormaster to submit a grant application with the California Department of Transportation, for the Noyo Harbor District's Noyo harbor Beautification project. 2nd by Grant Downie. Approved 5-0-0

CLOSED SESSION: 7:50

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one potential case)

REPORT OUT 8:50 pm AD HOC COMMITTEE consisting of Richard Shoemaker and Dan Platt will meet and confer with Resource Environmental.

STAFF REPORTS AND RECOMMENDATIONS: none

District Office:

The 2023-2024 budget draft will be ready for the May meeting.

Salmon season closures are expected to financially impact the Harbor District in a negative way. Anna will be working with the City of Fort Bragg, gathering support and attending meetings concerning this. Dan Platt added that George Bradshaw is a California Representative for Commercial Fishers and is trying to obtain disaster relief money for commercial fisheries.

Anna Neumann was voted on to the Board of California harbormaster and port Captains and will be reaching out to other Harbors concerning dredging and other topics of concern.

Attorney Report:

Attorney Jim Jackson has been following up with Justin Sanders on land lease matters.

Concerning the sale of abandoned property, and the vessel Samurai, public auction is the preferred method.

Matters from the Commissioners:

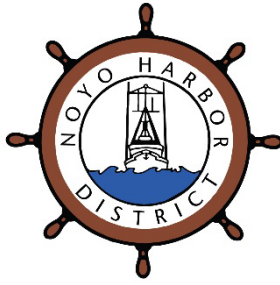
Grant Downie commended Anna Neumann for her performance at the MPA Decadal Management Review Conference.

Jim Hurst proposed the idea of using the South Harbor parking lot for tourist parking. A short discussion was held.

ADJOURNEMENT: To the next regular meeting of Thursday May 11th pm, 2023.

MOTION: Dan Platt moved to adjourn to the next regular meeting of May 11, 2023.

2nd by Grant Downie. Approved 5-0-0



Jim Hurst	Doug Albin	Richard Shoemaker	Dan Platt	Grant Downie	Anna Neumann
Chair	Commissioner	Commissioner	Commissioner	Commissioner	Harbormaster

NOYO HARBOR COMMISSION SPECIAL MEETING AGENDA

Tuesday, April 25th, 2023 at 6PM

Fort Bragg Town Hall

363 N. Main Street,
Fort Bragg, CA

CALL TO ORDER: The meeting was called to order by Doug Albin at 6:00 PM

ROLL CALL: Chair Jim Hurst was absent, All others present.

PLEDGE OF ALLEGIANCE: Grant Downie led in the Pledge of Allegiance.

PUBLIC COMMENT ON NON-AGENDA ITEMS: NONE

CORRESPONDENCE: NONE

CONSENT CALENDAR NONE

CONDUCT OF BUSINESS: NONE

CLOSED SESSION: The commission began a closed session at 6:04

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one potential case)

REPORT OUT: 6:55 PM Following discussion No Action Taken.

STAFF REPORTS AND RECOMMENDATIONS: NONE

District Office: NONE

Attorney Report: NONE

Matters from the Commissioners: NONE

ADJOURNEMENT: Richard Shoemaker moved to adjourn to the next regular meeting of Thursday May 11th pm, 2023. Dan Platt 2nd.



Resolution 2023-

RESOLUTION TO THE NOYO HARBOR COMMISSION REGARDING SEA OTTER (*Enhydra lutris*) RELOCATION

WHEREAS, the commissioners of the Noyo Harbor District were made aware of new action regarding the relocation of Sea Otters to the Mendocino Coast; and

WHEREAS, the commissioners of the Noyo Harbor District understand the negative impacts that sea otters may have on the local fishing industry; and

WHEREAS, the commissioners of the Noyo Harbor District understand the danger relocation presents to the individual otters; and

WHEREAS, the commissioners of the Noyo Harbor District have reviewed Resolution No. 129 Resolution of Noyo Harbor Commission Opposing Translocation of Southern Sea Otters signed September 11, 1986

NOW, THEREFORE, be it resolved that the commissioners of the Noyo Harbor District do not support the relocation of Sea Otters (*Enhydra lutris*) to the Mendocino Coast.

Passed and adopted by the Noyo Harbor Commissioners of the Noyo Harbor District on May 11th, 2023 by the following vote:

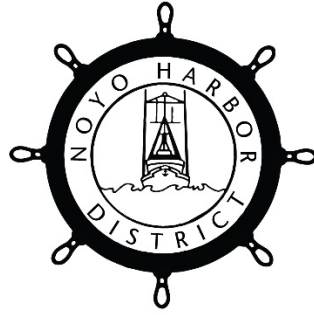
Ayes: _____

Date: _____

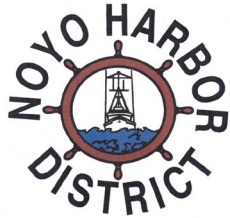
Noes: _____

Absent: _____

Attest: _____



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NOYO HARBOR DISTRICT AGENDA ITEM SUMMARY

AGENDA ITEM #: 1

MEETING DATE: 5/13/2023

TITLE

Resolution 2023-

RECOMMENDED ACTION

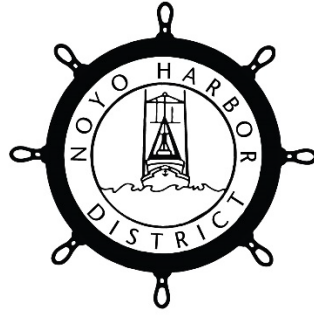
ANALYSIS

Resolution 2023 was proposed last meeting as a response to communications received and commissioner input.

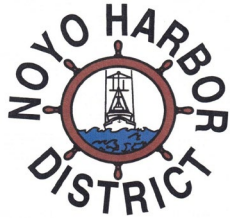
FISCAL IMPACT

ATTACHMENTS

Resolution 2023-



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NOYO HARBOR DISTRICT AGENDA ITEM SUMMARY

AGENDA ITEM #: 2

MEETING DATE: 5/11/2023

TITLE

Fee for vessels that overstay reservations

RECOMMENDED ACTION

Approval

ANALYSIS

The pervious culture of temporary tenants overstaying reservations without communication to the office staff is causing issues with staff. Vessel owners won't communicate with office staff that they want to extend their reservation and staff finds the vessels in the slip as part of dock walks. We have repeatedly asked tenants to communicate with staff if they intend to extend their reservations but have not been success in this attempt. A "found vessel" fee would hopefully inspire vessel owners to be more communicative with office staff on their reservation plans.

Proposed schedule:

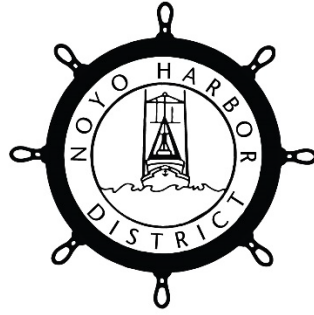
1st month \$50 plus full months rent

2nd month: \$100 plus full months rent

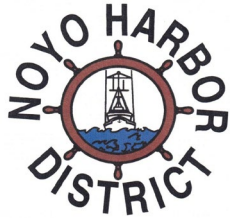
FISCAL IMPACT

Slight increase to transient slip yearly income

ATTACHMENTS



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NOYO HARBOR DISTRICT AGENDA ITEM SUMMARY

AGENDA ITEM #: 3

MEETING DATE: 5/11/2023

TITLE

FEMA Disaster 4683DR

RECOMMENDED ACTION

None Staff Update

ANALYSIS

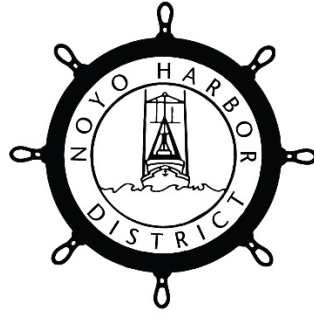
The December-January winter storm was declared an emergency and assigned a DR number with FEMA. This allows the District to begin applying for funds to fix damage that occurred during that time period. Office staff has been working with SHN to develop damage inventories and have had 2 meetings with FEMA and CAL OES representatives and are moving along the stages to receive funding from both agencies. At this stage, no funds have been allocated but the office is tracking expenses that can be reimbursed. We have requested that FEMA expedite our projects as "in-water work" permits from the California Coastal Commission, Department of Fish and Wildlife can take up to 18 -24 months to process.

FISCAL IMPACT

ATTACHMENTS

Damage Inventory

Damage Narrative



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Damage Inventory Narrative

1.0 Summary of DR-4683 in Noyo Harbor

During the incident period of December 27, 2022, through January 31, 2023, Noyo Harbor experienced severe winter storms with heavy rains and ocean conditions that caused damage to public facilities. The damage was a direct result of flooding, upriver landslides and erosion, and storm surge from the Pacific Ocean.

1.1 Wave Impacts

During the storm, Noyo Harbor facilities were exposed to unusually large waves and extremely high seas. The dredge soils containment cell and parking lot are both ocean-facing facilities that were hit by waves generated by the storm surge. Wave heights were measured at over 33 feet, and sea levels were measured at over 8.5 feet, which greatly exceeds what the harbor normally experiences during winter storm events.

1.2 Flood and Erosion Impacts

Noyo Harbor is situated where the Noyo River meets the Pacific Ocean. The Noyo River runs past numerous harbor facilities. During the storm, the Noyo River was measured at the City of Fort Bragg's water intake (upstream of Noyo Harbor) to have an increased flow rate ranging from 12.5- to 23-times greater than normal levels. Due to upriver landslides and erosion, the Noyo River had a dramatic increase in turbidity (amount of sediment in the water) of 11-times greater than normal levels during the storm.

The combination of these wave and flood impacts from the DR-4683 storm caused damage to four harbor facilities: a piling in the marina, the western wall of the dredge soils containment cell, a public parking lot, and the marina floor.

2.0 Damage Inventory

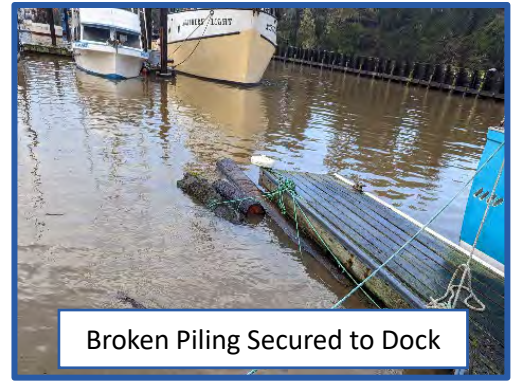
2.1 Piling Damage

The marina consists of eight finger docks with approximately 250 boat slips and is owned and operated by the Noyo Harbor District. Approximately 43% contain commercial vessels. The slips can accommodate most vessels up to 65 feet in length.

The flood-caused increase in river flows, which were measured as between 12.5- and 23-times greater than normal levels, brought excess water around the marina's protective seawall at a high velocity. Concurrently, the storm surge pushed ocean water from the Pacific upriver into the marina. The combination of the intense river flows and storm surge created turbulent and high water within the marina. Boats shook and pulled against their moorings, and the floating docks were strained by the increased water level.

During the storm, a 14-inch diameter, 15-foot-long structural piling that supports one of the docks snapped due to the increased forces. The structural piling had been anchored to the marina floor using land-based pile driving equipment and had been secured to the wooden pier dock using steel, wood, and rubber hardware.

It is critical that the piling be replaced, as the other structural pilings on the dock will bear more stress to hold the dock in place.



The marina is, by nature, in the waterway. This invites numerous local, state, and federal agencies to participate in the environmental review and permitting to replace the structural pile. It is expected that permits will be required from the following agencies:

Agency	Expected Permit
California Coastal Commission	Coastal Development Permit
US Army Corps of Engineers	404 Permit
North Coast Regional Water Quality Control Board	401 Permit
California Department of Fish and Wildlife	Lake and Streambed Alteration Agreement (1600)
California State Lands Commission	Lease Amendment
National Marine Fisheries Service	Marine Mammal Protection Act Harassment Authorization (IHA)

To obtain these permits, consistency with NEPA and CEQA will be required. The Noyo Harbor District has experience working with and obtaining permits from these agencies, as most work in the harbor requires similar permitting. In order to achieve environmental clearance and permitting, it is expected that the permitting agencies will require special studies to be completed prior to issuing permits. These may include eel grass surveys, recommendations for the protection of marine mammals, and other aquatic surveys to determine appropriate mitigation for potential environmental impacts.

2.2 Dredge Soils Containment Cell Damage

One of the areas that was particularly vulnerable to the storm was the ocean-facing embankment of Noyo Harbor's dredge soils containment cell. The containment cell is a large earthen structure used to store dredge material, which is a byproduct of the dredging process used to deepen the harbor's channel and marina. When initially deposited into the cell, the dredge material contains hazardous material from the river channel and marina. The dredge material dries in the containment cell until it can be trucked to a landfill. The containment cell is on City of Fort Bragg property but is the full obligation of the Noyo Harbor District (under its lease) to maintain and operate the containment cell.

The containment cell is utilized by both the Noyo Harbor District and the Army Corps of Engineers. The Army Corps dredges the river channel to provide safe access to and from the US Coast Guard base upriver. The Noyo Harbor District dredges the marina where commercial and recreational fishing boats moor. Per Federal legislation, it is the Noyo Harbor District's full responsibility to maintain and operate the containment cell and to transport the dried dredge material to the landfill, despite the Army Corps' use of the cell.

Noyo Harbor and the Mendocino Coast had been experiencing heavier-than-average rainfall before the storm arrived, and soils were already well-saturated. The storm brought surging seas, with waves over thirty feet in height and a swell that pushed waves over Noyo Beach and up the sides of the containment cell. The waves running up the containment cell's earthen wall combined with the heavy rains caused erosion from the wall face, threatening the integrity of the wall.



Overall, the storm caused the loss of 1,368 cubic yards of structural fill on the ocean-facing side of the containment cell. The containment cell wall cross section was originally designed as a trapezoidal shape, but the storm-caused erosion recontoured the western face to be closer to vertical. With the containment cell compromised, the dredge material in the cell, which contains hazardous material, is in jeopardy of spilling onto the beach. Additionally, neither the Noyo Harbor District nor the Army Corps of Engineers can dredge the channel or marina until the damaged containment cell is repaired.





The containment cell's location adjacent to Noyo Beach requires permits from local, state, and federal agencies to repair the damage.

Agency	Expected Permit
California Coastal Commission	Coastal Development Permit
US Army Corps of Engineers	404 Permit
North Coast Regional Water Quality Control Board	401 Permit
Mendocino County Air Quality Management District	Air Quality Permit
City of Fort Bragg	Encroachment Permit

The Coastal Commission will require a Coastal Development Permit for the repair work and will be the lead agency for CEQA review. NEPA review will also be required for the repair project. In order to get an approved permit from the Coastal Commission, they would likely require archaeological, botanical, and biological studies to identify potential impacts to coastal resources and ways to mitigate them. These reports would also be required for the CEQA and NEPA reviews. The Noyo Harbor District has experience obtaining these permits, as most work in and along Noyo Harbor trigger these agency reviews.

2.3 Damage to Public Parking Lot

The Noyo Beach Parking Lot is a public parking lot that serves the jetty and Noyo Beach and is fully owned and maintained by Noyo Harbor District. The public utilizes the lot to access these facilities, and to also fish along the riverbanks at its mouth with the Pacific. The public parking lot has an asphalt surface and provides approximately 46 spaces and two ADA spaces.

The parking lot's southern edge is near the top of the riverbank, and the southwestern corner begins to interface with the jetty and Pacific. This edge of the parking lot is constructed with rock slope protection and structural fill under the asphalt. The parking lot also includes a pathway along its edge made of aggregate base.



During the storm event, waves overtopped the rock slope protection and flooded the parking lot. The storm surge also brought debris over the parking lot edge. These forces caused the southern and western edges of the parking lot to be undermined and eroded, damaging the integrity of the parking lot and pedestrian pathway. Damages include 200 cubic yards of rock slope protection, 300 cubic yards of structural fill, and 16 cubic yards of aggregate base.



Due to the parking lot and pathway's proximity to the water, permitting the repairs will require approval by local, state, and federal agencies.

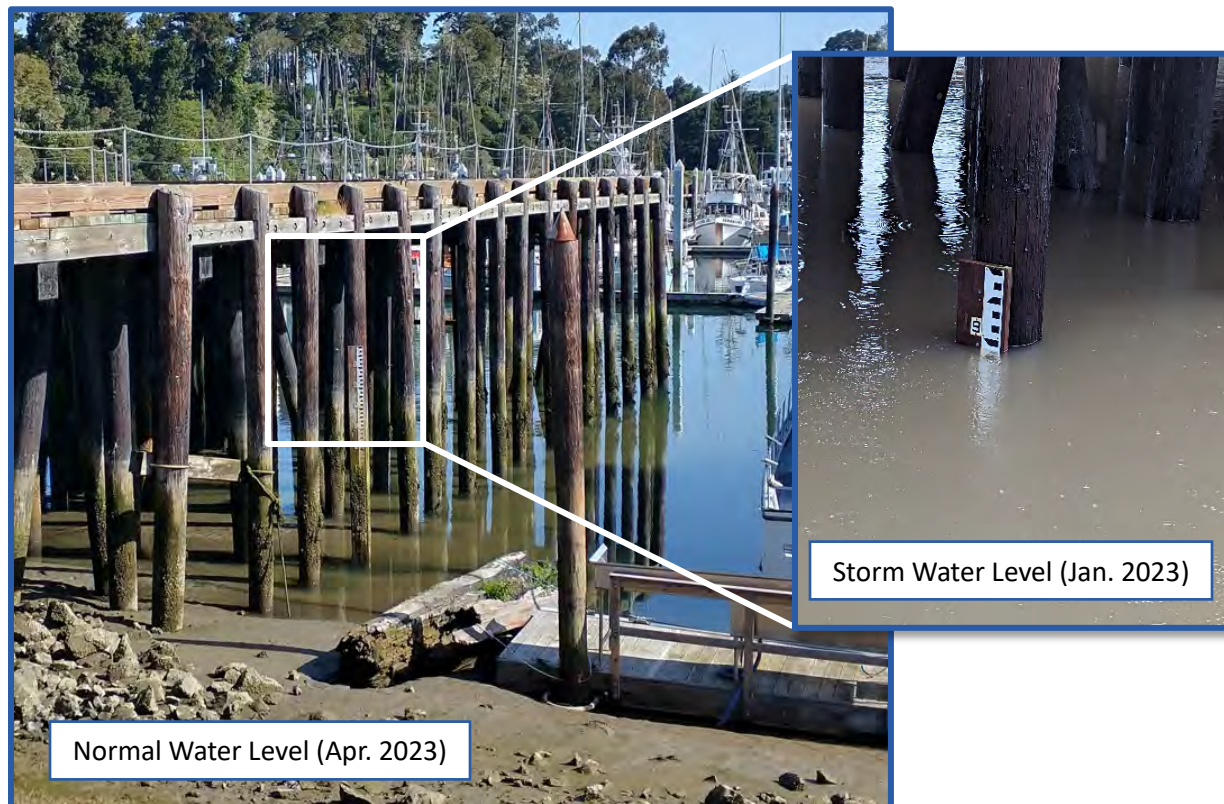
Agency	Expected Permit
California Coastal Commission	Coastal Development Permit
US Army Corps of Engineers	404 Permit
North Coast Regional Water Quality Control Board	401 Permit
California Department of Fish and Wildlife	Lake and Streambed Alteration Agreement (1600)
California State Lands Commission	Lease Amendment

Permitting will also require NEPA and CEQA review. The Coastal Commission will be the lead agency for CEQA review, and will guide the repair efforts as their requirements for work near the shore are thorough. The Noyo Harbor District has experience working with and obtaining permits from these agencies, as most work in the harbor requires similar permitting. The Coastal Commission will require special studies to issue permits. These may include reports providing recommendations for the protection of marine mammals and a biological survey to determine the presence of sensitive resources.

2.4 Sediment Deposition in Marina

The Noyo Harbor marina consists of eight docks with approximately 250 boat slips and is owned and operated by the Noyo Harbor District. Approximately 43% contain commercial vessels. The slips can accommodate most vessels up to 65 feet in length. The Noyo Harbor District owns and is responsible for the maintenance of the marina. Maintenance includes periodic dredging to ensure boats can navigate and moor during all tide levels.

The severe storm brought heavy rainfall to the region, causing increased river flows (12.5- to 23-times greater than normal levels) in the Noyo River. Additionally, upriver landslides and erosion caused by the storm resulted in an increase of sedimentation and turbidity in the river of 11-times normal levels.

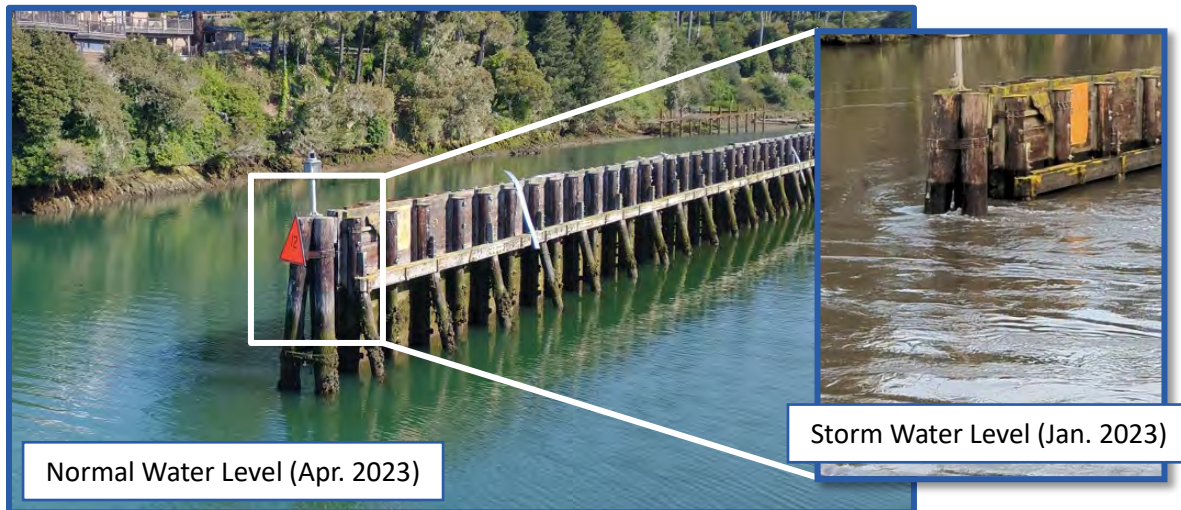


As the river flowed toward the Pacific Ocean, it carried with it the extreme levels of sediment other debris that had been dislodged by the storms. The high-water flows and turbulence also caused erosion along the riverbanks, contributing to the river's severe sediment load.

Where the river meets the marina, the river flows along a seawall designed to prevent sediment from entering the marina. However, the extreme spike in turbidity and excessive river flows pushed and deposited 3,200 cubic yards (1.98 acre-feet) of sediment into the marina, where it accumulated and reduced the depth of the marina.

Day	2022												2023		
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March
1	6.360	1.410	0.829	0.655	2.900	0.821	0.807	0.749	0.655	0.680	0.611	0.366	20.200	4.000	3.990
2	6.180	1.350	0.808	0.632	2.500	0.779	0.769	0.699	0.756	0.687	0.527	0.328	25.100	3.720	5.430
3	5.940	0.982	0.805	0.632	2.410	0.790	0.719	0.770	0.835	0.646	0.555	0.500	24.200	3.540	8.680
4	5.920	1.060	0.767	0.771	2.080	0.796	0.769	0.730	0.819	0.612	0.593	0.554	21.400	3.750	10.100
5	5.120	0.877	0.837	0.631	1.950	0.727	0.748	0.792	0.858	0.615	0.618	0.622	18.700	3.760	10.600
6	5.090	0.831	1.000	0.619	1.950	0.837	0.765	0.669	0.859	0.620	0.650	0.645	15.300	3.730	10.200
7	5.330	0.844	1.070	0.762	1.650	0.984	0.686	0.675	0.776	0.708	0.809	0.682	15.200	4.490	9.770
8	5.060	0.803	1.010	0.682	1.510	0.995	0.721	0.703	0.714	0.692	1.000	0.499	14.300	6.100	8.570
9	5.070	0.833	0.978	0.749	1.460	0.932	0.793	0.666	0.675	0.691	0.771	0.822	18.600	7.120	8.770
10	4.820	0.812	0.913	0.717	1.440	0.941	0.720	0.608	0.634	0.745	0.658	0.893	19.200	7.290	8.940
11	4.720	0.838	0.865	0.689	1.360	0.891	0.752	0.606	0.634	0.700	0.602	1.480	21.100	7.080	9.190
12	4.340	1.030	0.831	0.744	1.290	0.849	0.802	0.582	0.622	0.724	0.552	2.600	22.000	6.840	9.680
13	4.100	1.020	0.838	0.851	1.160	0.792	0.777	0.573	0.677	0.759	0.563	4.460	21.100	6.350	10.300
14	3.760	1.010	0.803	1.030	1.090	0.787	0.756	0.594	0.579	0.726	0.499	5.210	19.700	5.880	10.700
15	3.470	1.010	0.784	1.060	0.990	0.824	0.729	0.591	0.729	0.725	0.444	5.330	18.900	5.300	10.600
16	3.190	1.110	0.746	1.750	0.981	0.931	0.806	0.589	0.594	0.740	0.463	5.000	19.100	4.730	11.000
17	2.870	1.090	0.907	2.080	1.050	0.804	0.741	0.589	0.578	0.686	0.407	4.270	18.700	4.360	12.100
18	2.710	1.060	1.310	3.450	0.926	0.774	0.770	0.575	0.617	0.664	0.405	3.560	16.900	3.990	12.300
19	2.400	0.981	1.420	5.380	0.971	0.715	0.760	0.673	1.030	0.664	0.425	2.970	15.200	3.700	12.000
20	2.170	0.970	1.300	5.830	0.808	0.704	0.756	0.705	1.820	0.689	0.367	2.440	13.600	3.320	11.600
21	2.020	0.946	1.270	5.760	0.893	0.663	0.795	0.638	2.080	0.691	0.402	1.980	12.200	3.240	10.300
22	1.850	0.916	1.380	5.940	0.876	0.699	0.790	0.673	1.610	0.655	0.369	1.620	10.600	3.170	9.460
23	1.760	0.952	1.330	6.330	0.835	0.691	0.744	0.675	1.320	0.625	0.376	1.330	9.440	2.890	
24	1.620	0.890	1.240	6.760	1.000	0.700	0.719	0.640	1.010	0.578	0.344	1.150	8.490	2.840	
25	1.440	0.885	1.140	6.760	0.869	0.730	0.768	0.626	1.030	0.615	0.341	0.933	7.490	2.860	
26	1.360	0.850	1.090	6.580	0.821	0.735	0.773	0.607	0.888	0.559	0.360	0.826	6.990	2.880	
27	1.670	0.830	0.930	5.610	0.815	0.781	0.749	0.604	0.186	0.540	0.321	0.830	6.360	3.020	
28	1.540	0.796	0.818	4.680	0.805	0.710	0.695	0.664	0.725	0.551	0.364	1.360	5.840	3.470	
29	1.550	0.820	0.757	4.190	0.828	0.680	0.700	0.664	0.695	0.543	0.323	8.020	5.250		
30	1.490								728	0.618	0.304	9.890	4.780		
31	1.350								0.561			13.300	4.490		

Noyo River Turbidity Data
(storm event period in dashed box)



The reduced marina depth has made it difficult for boats to navigate and moor in parts of the marina during lower tides and has resulted in an expedited need to dredge the marina. Due to the storm generated sediment deposition, harbor facilities are resting on the marina floor (instead of floating) at the eastern end of the marina.



Dredging involves the use of heavy equipment to scoop up sediment from the riverbed and transport it to an area where it can be safely disposed of (in this case, the previously mentioned dredge soil containment cell). Dredging is necessary to ensure that boats can navigate safely through the marina.

The Noyo Harbor District has experience permitting and implementing a dredge of the marina. Since the project is located in the water, permitting requires the approval of numerous local, state, and federal agencies.

Agency	Expected Permit
California Coastal Commission	Coastal Development Permit Exemption
US Army Corps of Engineers	404 Permit (NWP 35 and NWP 16)
North Coast Regional Water Quality Control Board	401 Permit
California Department of Fish and Wildlife	Lake and Streambed Alteration Agreement (1600)
California State Lands Commission	Lease Amendment

In order to secure these permits, the dredging would need to comply with CEQA and NEPA for environmental clearance. In Noyo Harbor District's past dredging operations, permit approval and environmental clearance required conducting a bathymetric survey of the marina, preparation and implementation of a sampling and analysis plan, and pre- and post- dredging eelgrass surveys.

3.0 Summary

The 2023 storm event (DR-4683) caused extensive damage to Noyo Harbor District facilities that are critical for the operation of the working harbor. Noyo Harbor's location at the intersection of the Noyo River and the Pacific Ocean made it particularly vulnerable to the storm since it was impacted by forces from both the river and sea. The Noyo Harbor District looks forward to working with FEMA and CalOES to repair the storm-caused damage.

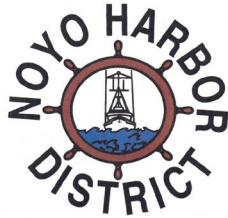
Damage Inventory

[illegible]

Labor Key: MAA - Mutual Aid Agreement; MOU - Memorandum of Understanding; FA - Force Account; C - Contract; FA/C - Both FA and C; DR - Donated Resources

Labor Type		Priority Type	Yes/No		Category
Mutual Aid	MAA	Low	Yes	Y	A
Mission Assigned	MA	Medium	No	N	B
Memorandum of Understanding	MOU	High	Unsure	U	C
Force Account	FA	Urgent			D
Contract	C				E
Force Account & Contract	FA/C				F
Donated Resource	DR				G

Primary Cause of Damage
Earthquake
Fire
Flood
Hurricane
Severe Storm
Tornado
Tsunami
Volcanic Eruption
Wind
Winter Storm



NOYO HARBOR DISTRICT AGENDA ITEM SUMMARY

AGENDA ITEM #: 4

MEETING DATE: 12/8/2022

TITLE

Internal Revenue Services

RECOMMENDED ACTION

Payment of taxes owed only

ANALYSIS

Office staff met with Chandra Blencowe and she advised that the District specifically pay the taxes owed from 2018-2019. Each quarter should be an individual check and contain a letter to the IRS referencing the notice number, quarter and insist that the payment be applied only to the taxes owed, not the penalties. Chandra does not think that we will be forgiven on the taxes owed but thinks that we may be able to negotiate down the penalties once the taxes have been paid. Paying the taxes now will also reduce the amount of penalties we accumulate waiting for a representative from the IRS to reach out to us.

She also suggested that we write a letter to the IRS stating what went wrong in 2018-2019 and the steps we have taken to rectify the situation.

She had no answer as to why the penalty varied between the quarters so greatly.

Quarter	Total	Tax	Penalty
Q4 2019	\$29,221.77	\$17,419.20	\$11,802.57
Q3 2019	\$14,145.48	\$1,772.03	\$12,373.45
Q2 2019	\$14,312.49	\$11,466.69	\$2,845.80
Q1 2019	\$14,014.05	\$11,098.91	\$2,915.14
Q4 2018	\$12,215.61	\$9,450.72	\$2,764.89
Q3 2018	\$16,638.89	\$11,535.40	\$5,103.49
Q2 2018	\$23,672.90	\$16,290.90	\$7,382.00
Q1 2018	\$18,285.33	\$14,812.97	\$3,472.36

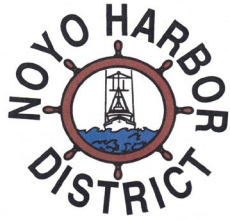
Total	\$142,506.52	\$93,846.82	\$48,659.70
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FISCAL IMPACT

\$93,846.82

We have \$1,503,208.12 in reserves that can be applied

ATTACHMENTS



NOYO HARBOR DISTRICT AGENDA ITEM SUMMARY

AGENDA ITEM #: 5

MEETING DATE: 12/8/2022

TITLE

2021-2022 Aduit Results

RECOMMENDED ACTION

Approval of Results

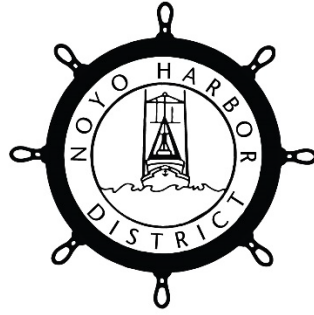
ANALYSIS

Aduit was provided by Zach Pheling

FISCAL IMPACT

ATTACHMENTS

Audit



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Noyo Harbor District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2022



February 16, 2023

Noyo Harbor District

Fort Bragg, CA

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Noyo Harbor District as of and for the year-ended June 30, 2022, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

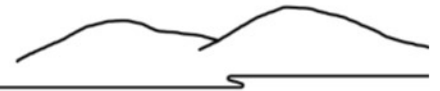
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence about the amount of Accounts Receivables of Noyo Harbor District because subsidiary ledgers were not maintained at year-end. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Noyo Harbor District as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The District has not presented Management's Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require be presented to supplement the basic financial statements. Such information, 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 financial statements in an appropriate operational, economic, or historical context.

Zach Pehling, CPA

Noyo Harbor District

**Audit Report
June 30, 2022**

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Statement of Revenues and Expenses and Changes in Funds Net Position/Activities.....	6
Statement of Cash Flows.....	7
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Noyo Harbor District

Statement of Net Position

ASSETS

Current Assets:

	2022
Cash	\$ 1,924,342
Accounts Receivable	37,302
Deposits & Prepaid Expenses	40,461
Total Current Assets	2,002,105

Capital Assets:

Land	336,823
Improvements & Equipment	5,619,852
Construction in Progress	35,502
Less: Accumulated Depreciation	(1,809,059)
Total Capital Assets	4,183,118

TOTAL ASSETS	6,185,223
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<u>DEFERRED OUTFLOW</u>	86,652
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TOTAL ASSETS AND DEFERRED OUTFLOWS	6,271,875
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LIABILITIES

Current Liabilities:

Accounts Payable	32,734
Prepaid Slips	27,701
Customer Deposits	-
Accrued Payroll Liabilities	106,370
Accrued Compensated Absences	4,688
Total Current Liabilities	171,493

TOTAL LIABILITIES	171,493
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<u>DEFERRED INFLOWS</u>	-
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TOTAL LIABILITIES AND DEFERRED INFLOWS	171,493
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NET POSITION

Net Investment in Capital Assets	4,183,118
Unrestricted	1,917,264
TOTAL NET POSITION	\$ 6,100,382

The accompanying notes are an integral part of these financial statements.

Noyo Harbor District

Statement of Revenues, Expenses & Change in Fund Net Position/Activities For the Year Ended

<u>OPERATING REVENUE</u>	<u>2022</u>
Charges for Service	\$ 533,022
Other Revenue	-
Grants & Contributions	<u>1,232,438</u>
TOTAL OPERATING REVENUE	<u>1,765,460</u>
<u>OPERATING EXPENSES</u>	
Depreciation	140,358
Insurance	190,744
Professional Fees	73,660
Repairs & Maintenance	31,658
Salaries and Employee Benefits	120,328
Services, Supplies and Refunds	95,566
Utilities	<u>75,751</u>
TOTAL OPERATING EXPENSES	<u>728,065</u>
OPERATING INCOME (Loss)	<u>1,037,395</u>
<u>NON-OPERATING REVENUES/EXPENSES</u>	
Interest Income	1,462
Property Taxes	116,289
Capital Grants	24,670
Interest Expense	<u>-</u>
TOTAL NON-OPERATING REVENUES/EXPENSES	<u>142,421</u>
CHANGE IN NET POSITION	<u>1,179,816</u>
NET POSITION, BEGINNING OF YEAR	<u>4,920,566</u>
NET POSITION, END OF YEAR	<u>\$ 6,100,382</u>

The accompanying notes are an integral part of these financial statements.

Noyo Harbor District
Statement of Cash Flows
For the Year-Ended

	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Cash Received from Charges for Service	\$ 505,691
Cash Received from Grants & Contributions	1,232,438
Deduct: Cash paid for Operating Expenses	<u>(612,321)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>1,125,808</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Interest Expense	-
Purchase of Capital Assets	<u>(46,329)</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(46,329)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Property Tax Receipts	<u>116,289</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>116,289</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Receipts	<u>1,462</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>1,462</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>1,197,230</u>
<u>CASH, BEGINNING OF YEAR</u>	<u>727,113</u>
<u>CASH, END OF YEAR</u>	<u><u>\$ 1,924,342</u></u>
<u>RECONCILIATION OF OPERATING INCOME TO NET</u>	
<u>CASH PROVIDED BY OPERATING ACTIVITIES</u>	
Operating Income (Loss)	<u><u>\$ 1,037,395</u></u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Add back depreciation	140,358
(Increase) Decrease in Operating Accounts Receivable	(10,740)
(Increase) Decrease in Prepaid	(13,348)
Increase (Decrease) in Accounts Payable	15,864
Increase (Decrease) in Compensated Absences	1,280
Increase (Decrease) in Accrued Liabilities	(28,411)
Increase (Decrease) in Current Liabilities	-
Increase (Decrease) in Unearned Revenue	<u>(16,592)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,125,807</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Noyo Harbor District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

1. Reporting Entity

The Noyo Harbor District (the District) was formed by the Mendocino County Board of Supervisors pursuant to public election held October 11, 1950, as a port district under Sections 6210 to 6233 of the Harbors and Navigation Code of the State of California. The District operates and maintains berthing, launching and related facilities.

Criteria used in determining the scope of the reporting entity includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The reporting entity consists of the District as the primary and sole reporting entity.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District engages in an enterprise type activity where the intent of management is to recover, primarily through user charges, the cost of providing the goods or services to the general public. The District's operations are accounted for as a proprietary fund using the economic resources measurement focus and accrual basis of accounting similar to a private sector business. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Noyo Harbor District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Fund Accounting

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has opted to apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operation of the fund. All other expenses are reported as non-operating expenses.

Exchange and Non-Exchange Transactions of Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving value in return, include taxes and donations. Revenues are recognized when susceptible to accrual, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. The assessor of the County determines the assessed valuations of such property and the tax collector of the County collects the taxes. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Budgetary Reporting

Annual budgets are prepared on an accrual basis and adopted by the District's Commission. The budget is prepared by activity and includes information on the past year and current year estimates. The proposed budget is presented to the Commission for review. The Commission holds public meetings and may add to, delete from, or change the budget. Any changes in the expenses must be within the revenues and reserves estimated as available by the Treasurer or the revenue estimates must be changed by an affirmative vote of a majority of the Commission.

Noyo Harbor District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The District's cash and cash equivalents are cash on hand, demand deposits, and short term investment with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Fair value is based on the market prices or contract amount.

Revenues and Receivables

All trade receivables are shown net of an allowance for uncollectible accounts, if any. An allowance for uncollectible account of \$7,499 has been recorded as of June 30. The allowance was determined based on an analysis of historical trends and specific accounts.

Property tax revenues were attached as an enforceable lien as of January 1, and are levied on July 1. Taxes are due in two installments on November 1 and February 1. The District relies on the competency of the County of Mendocino Assessor's Office to properly assess, collect and distribute property taxes. The portion of Ad Valorem taxes received by the District are determined by their tax allocation factor which is derived from the ratio of the District's taxes received in 1977-78 to the total taxes received county-wide in the 1977-78 base year. These taxes are available for general District use.

Capital Assets

Capital assets, which include land, structures and improvements, facilities and equipment, are reported in the financial statements at historical cost. Capital assets are currently defined by the District as assets with an initial individual cost of more than \$500. These assets are being depreciated using the straight-line method over the assets' useful lives as follows:

Structures and improvements	10-20 years
Facilities	10-40 years
Equipment	5-10 years

Noyo Harbor District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

The District's financial statements report net assets consisting of the following components:

Net Investment in Capital Assets– This amount is comprised of total capital assets net of accumulated depreciation reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net assets that do not meet the definition of “net investment in capital assets” or “restricted net position”.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America is prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities 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.

Compensated Absences

Earned vacation and a portion of accumulated sick-leave payable upon termination or retirement are accrued as compensated absences. Permanent, full time employees accrue sick leave and vacation benefits based on the number of years of continuous service. Sick leave benefits accumulate to a maximum of 100 days. Upon separation of employment, employees with 10 continuous years of service are entitled to compensation of 15% of the accumulated sick leave, either in the form of payroll compensation or as an additional contribution to their retirement account.

NOTE B – CASH AND EQUIVALENTS

Cash and cash equivalents at June 30, 2022, are presented in the accompanying financial statements as follows:

Cash and cash equivalents –2022-\$1,924,342

Interest rate risk. - The District does not currently have a policy regarding interest rate risk.

Noyo Harbor District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE B – CASH AND EQUIVALENTS (continued)

Credit risk. - The District does not have a formal policy regarding credit risk

Custodial credit risk. -The District's investment in the State and County Treasurer's investment pools represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk. Cash in local bank is covered by federal depository insurance.

Concentration of credit risk. - The District does not have a policy for concentration of credit risk.

The District's investment types are authorized by the District's investment policy which is compliant with California Government Code.

NOTE C - Accounts Receivable

Accounts receivable are recorded at their gross value, where appropriate are reduced by the portion that is considered uncollectable. Accounts receivable consists primarily of service fees that have been billed but not paid as of year-end. An allowance for uncollectible account of \$7,499 has been recorded as of June 30.

NOTE D - Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items.

NOTE E – CAPITAL ASSETS

At June 30, 2022 net fixed assets consisted of the following:

Land	\$336,823
Structures & Improvements	4,447
Revenue Producing Facilities	4,080,215
Non-revenue Producing Facilities	1,478,858
Equipment	26,332
Projects in Progress	<u>35,502</u>
Less Accumulated Depreciation	<u>(1,809,059)</u>
Net Fixed Assets	<u>\$4,183,118</u>

Noyo Harbor District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE F - Accounts Payable and Accrued Liabilities

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received. Payables are liabilities of the District based upon current year charges for goods or services received but not paid in the current year.

NOTE G - COMPENSATED ABSENCES

Compensated absences which are included in accrued payroll balances as of June 30, 2022:

Accrued -	\$4,688
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NOTE H - UNEARNED REVENUE

Unearned revenue consists of inflows of resources during the current period, but relates to a future period. As of June 30, 2022, the District's unearned revenue consisted of the following:

Operating -	\$27,701
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NOTE I – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disaster. The District provides for property and liability insurance through Navigators Insurance Group. Navigators Insurance Group received an "A" rating from A.M. Best and Standard & Poor's.

NOTE J - CONTINGENCIES

As of June 30, 2022, the District did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE K - USE OF RESTRICTED/UNRESTRICTED NET POSITION

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

NOTE L - COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative data for the prior year have been presented in certain sections of the

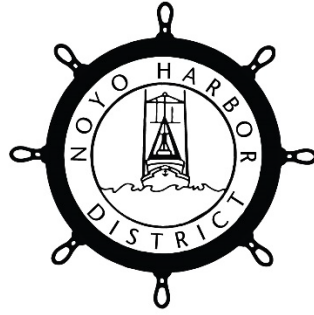
Noyo Harbor District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

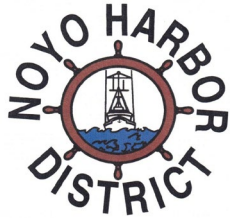
accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

NOTE M - DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through **February 16, 2023**, which is the date the financial statements were available to be issued. As of the audit date the district has begun work on the channel dredging project.



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NOYO HARBOR DISTRICT AGENDA ITEM SUMMARY

AGENDA ITEM #: 6

MEETING DATE: 12/8/2022

TITLE

Proposed Budgets

RECOMMENDED ACTION

Staff Direction

ANALYSIS

Our actual income has varied vastly from what our budget was set as. In developing the budget last fiscal year the Harbormaster based budget estimates off previous budgets and did not rely on audited financial statements. This was largely due to the lack of 2020-2021 audits. In the development of the budget this year, the harbormaster would like the annual revenues to more closely match audit reports, and be more accurate and reflective of the actual spending of the district rather than attempting to match previous years budgets.

In reading the audits, the last four years the Charge for Services column has listed revenues from the marina as:

2019-\$617,000

2020- \$669,394

2021- \$465,563

2022- \$533,022

Reviewing this has led the harbormaster to develop a marina-based income total to be closer to the low end of our previous 4 years. With the lack of 2023 salmon season, the District will likely experience less rental and marina based incomes from the marina in the 2023 season. However, more tenants are paying more consistently than in previous years and the office has moved in a considerable number of new full time tenants.

There are sections of the budget where the harbormaster has attempted to cut as much as possible, but it is a very tight budget and it is not helpful to set an unrealistic

spending pattern that cannot be sustained. If the prices of goods continue to rise, a increase in rent will be necessary to ensure that the District does not go backwards.

Important Call Outs

- Payroll- Payroll information can be found farther down in the packet. The way the book keeping records payroll, combines the employees money withheld from their paycheck and paid on their behalf to the IRS/ EDD and the taxes that the District owes. This has our payroll tax expense showing a higher value than what the District actually pays as payroll tax.
- Marina Dredge Expense – While we have irons in many fires to pay for the marina dredge and the commission allocated \$94,000 to begin planning and permitting for the dredging, no operating expenses were allocated toward dredging.
- SAVE Grant- While we have pledge to allocated \$19,500 toward matches as the SAVE grant requires, we are not likely to spend the full \$115,000 awarded in 2021/2022 grant. We are likely to spend the full \$80,000 in the 2022-2023 award and that is accounted for in the budget.

FISCAL IMPACT

ATTACHMENTS

2023-2024 Proposed Budget

Noyo Harbor District (NHD)

	2020/2021	Budget 2021/2022	Budget 2022/2023	2022-2023 projected	2023-2024 Proposed
Revenues					
Slip Rental - Contract	550,000.00	525,000.00	650,000.00	433,113.20	450,000.00
Slip Rental - Transient	65,000.00	50,000.00	60,000.00	41,589.06	43,000.00
Hoist Fees	0.00	3,000.00	1,000.00	415.00	1,000.00
Park & Launch	25,000.00	30,000.00	35,000.00	23,881.87	25,000.00
Main Pier	0.00	0.00	0.00	75.00	0.00
Ground Rent	30,000.00	30,000.00	40,000.00	34,882.13	35,000.00
Encroachment Leases	20,000.00	20,000.00	20,000.00	14,700.80	25,000.00
Electric	0.00	0.00	15,000.00	808.00	15,000.00
Late Fees	600.00	3,000.00	4,000.00	3,030.50	4,000.00
Income -Marina Based	690,600.00	661,000.00	825,000.00	552,495.56	598,000.00
Other Revenue	25,000.00	5,000.00	3,000.00	7,712.29	3,000.00
Property Tax Rev-Current	102,000.00	112,000.00	117,000.00	144,490.20	150,000.00
Insurance Surcharge	7,000.00	3,500.00	0.00	0.00	
Interest Income	3,000.00	5,000.00	4,830.00	25,713.09	30,000.00
Other Revenues	137,000.00	125,500.00	124,830.00	177,915.58	183,000.00
Total Revenues	827,600.00	786,500.00	949,830.00	730,411.14	781,000.00

Expenses	2020/2021	2021/2022 Budget	2022/2023 Proposed	Projected	Proposed
Payroll and Employee Burdens					
Harbormaster	60,000.00	60,000.00	60,000.00	68,700.00	68,700.00
Wages Hourly 1 F.T. 3 P.T.	95,000.00	95,000.00	137,696.00	81,301.78	84,892.00
Emp. Health & Dental Insurance	85,000.00	85,000.00	25,000.00	20,676.26	24,000.00
Sep. Ira	18,000.00	20,000.00	15,000.00	7,551.40	8,100.00
Payroll Tax Expense	30,000.00	31,500.00	31,000.00	62,864.12	60,000.00
Workers' Comp.	5,000.00	0.00	12,000.00		0.00
Employee Totals	293,000.00	291,500.00	280,696.00	241,093.56	245,692.00
Utilites					
Utilities Expense (Trash/Water)			90,000.00	66,952.60	68,000.00
Power			55,000.00	52,270.54	55,000.00
Utilities	115,000.00	130,000.00	145,000.00	119,223.14	123,000.00
Insurance Property & Liability	193,000.00	195,000.00	210,000.00	266,203.25	250,000.00
Legal and Professional Fees					
Legal	15,000.00	15,000.00	35,000.00	23,764.80	24,000.00
Consultant	10,000.00	10,000.00	20,000.00	15,335.97	20,000.00
Auditor	3,500.00	8,000.00	10,000.00	8,150.00	9,000.00
Legal and Professional Totals	28,500.00	33,000.00	65,000.00	47,250.77	53,000.00

	2020/2021	2021/2022 Budget	2022/2023 Proposed	Projected	Proposed
Office and Admin Expenses					
Outside Services	1,000.00	1,000.00	1,000.00	0.00	0.00
Office Expense	6,000.00	6,000.00	6,000.00	10,122.85	11,000.00
Office Equipment	1,500.00	1,500.00	1,500.00	0.00	800.00
Conferences & Meetings	0.00	5,000.00	5,000.00	4,906.77	2,000.00
Dues and Subscriptions Exp	2,000.00	3,000.00	12,000.00	10,073.70	11,000.00
Advertising Expense	500.00	500.00	3,000.00	507.88	800.00
Communications Expense	3,000.00	3,000.00	3,000.00	4,654.68	4,500.00
Rent or Lease Expense	0.00	0.00	0.00		
Taxes & Assessments	25,000.00	32,000.00	3,000.00	2,590.64	3,000.00
Bank Charges				2,400.74	0.00
Refunds				3,800.00	0.00
Office and Admin Expenses	26,500.00	26,500.00	34,500.00	32,856.52	33,100.00
Grounds					
Repairs & Maintenance	35,000.00	35,000.00	45,000.00	25,860.67	28,000.00
Operating Supplies	9,000.00	9,000.00	9,000.00	6,392.16	7,000.00
Equipment Purchase	2,000.00	10,000.00	4,000.00		0.00
Equipment Expense	1,000.00	3,000.00	1,000.00		0.00
Fuel Expense	3,000.00	1,500.00	1,600.00	4,141.54	5,000.00
Maintenance & Repairs	50,000.00	58,500.00	60,600.00	36,394.37	40,000.00
Submerged Tidelands Expenses					
Deferred Maintenance	35,000.00	65,000.00	30,000.00	13,217.56	8,000.00
Channel Dredging Expense	0.00	0.00	0.00		
Debris Removal Expense	0.00	0.00	0.00		
Marina Dredging Expense	0.00	0.00	0.00	21,751.40	10,000.00
Contingency Fund	0.00	0.00	0.00		
Sumerged Tidelands Totals	35,000.00	65,000.00	30,000.00	34,968.96	18,000.00
Misc. Expenses					
Misc. Expenses	0.00	0.00	0.00		
Misc. Expenses	70,000.00	130,000.00	0.00	0.00	0.00

Active Grants

	Total award	Remaining	Match	Remaining Match
SAVE 2021/2022	\$115,000.00	\$11,500.00	\$11,500.00	\$11,500.00
SAVE 2021/2022	\$80,000.00	\$80,000.00	\$8,000.00	\$8,000.00
State Land Commission	\$448,808.00	\$391,154.49	\$0.00	\$0.00
		Total		\$19,500.00

Account/Reserve Information

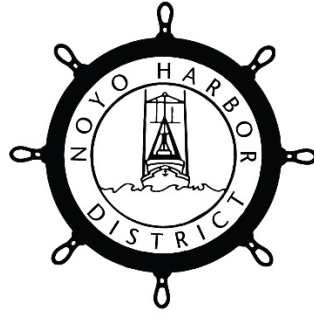
Current Cash Balances

Chase Checking	\$310,465.93
Chase Money Market	\$194,029.20
LAIF	\$1,679,439.48
Total	\$2,183,934.61

**Total not pre-allocated to
grant fundings**

	\$1,773,280.12
6 Month opperating expense	\$270,000.00
Reserves	\$1,503,280.12

Positions	Pay Rates	Salary	Hours Per Week	Total
Harbormaster		67800.00	40	67,800.00
Full Time Maintance	25.92		40	53,913.60
Part Time Maintance	18.36		30	28,641.60
Part Time Maintenance	18.36		30	28,641.60
Part Time Admin Assistant	25.92		25	33,696.00
Totals				\$212,693



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District Office Reports

Fish Markets

The Fish Market schedule has been set for the 1st Saturdays of the month starting in June and ending in October, skipping July. Dates are: June 3rd, August 12th, September 9th, and October 14th. Live music, fresh fish and other vendors have been scheduled.

Police Activity League

PAL will also be hosting a corn hole tournament and BBQing in Grader Park on the date of the 1st fish market. We have had some initial conversations about PAL joining the fish markets with their corn hole tournament once a month. They will also vend beer and wine.

Salmon BBQ

The Salmon BBQ will still be occurring on July 1st in Grader Park. They have yet to turn in a rental application but have been communicating with office staff.

FV Christine

Office staff has been working with the staff of CRU to transition the man living aboard the Christine into safer housing. Should this occur staff will have to work rapidly to remove the vessel.