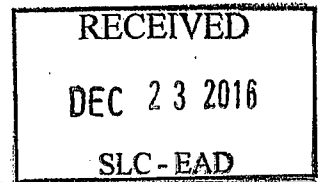




# City of Martinez

525 Henrietta Street, Martinez, CA 94553-2394

(925) 372-3500 / Fax (925) 229-5012



December 22, 2016

Ms. Sheri Pemberton  
Chief, External Affairs/Legislative Liaison  
California State Lands Commission  
100 Howe Avenue, Suite 100 South  
Sacramento, CA 95825-8202

**RE: Annual Summary – Use of Trust Revenues**

Dear Ms. Pemberton:

Attached please find our Standardized Reporting Form and Annual Financial Statements for 2016. The City is actively engaged in the process of planning an upcoming dredge in 2017 to make the Marina more viable for public use. We contracted with AnchorQEA in October at an approximate cost of \$30K to survey the ponds and marina. The preliminary data shows significant siltation throughout the Marina and an initial estimated cost of approximately \$700K to complete a dredge of around 33,000 cubic yards, which would temporarily satisfy the most urgent dredging needs of the boating public. AnchorQEA is submitting a proposal for the second phase of the dredge cycle, which will include sediment characterization, design, and permitting of the highest priority areas. The City has requested the proposal include options for expanding the scope at the City's discretion.

We anticipate presenting the proposal to our City Council for consideration at the February 1, 2017 meeting. Dredging operations would be expected to commence sometime around August 2017. In the meantime, the City is also continuing its discussions with a private company interested in participating in our dredging operations (both short and long-term). These discussions are being held in conjunction with Almar, our contracted Marina operator, and AnchorQEA to ensure all options are explored.

Please contact Michael Chandler, Assistant to the City Manager, at (925) 372-3517, if you have any further questions or require additional information. Thank you again for your continued partnership in the Martinez Marina.

Sincerely,

Brad Kilger  
City Manager

Attachments: Standardized Reporting Form and Annual Financial Statements