

<p>Meeting Date: January 26, 2017</p>	<p>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</p> <p>BOARD MEETING MINUTES</p>	<p>Page 1 of 17</p>
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Board Members Present

Jennifer Ferrera Schmid, President, Public Member
 Dave Connolly, Vice President, Public Member
 David Hoppes, Dry Cargo Industry Member
 Captain George Livingstone, Pilot Member
 John Schneider, Wet Cargo Industry Member
 Benjamin DeAlba, Assistant Secretary for Rail and Ports, representing the Secretary of the California State Transportation Agency (CalSTA)

Board Members Absent

Vacant, Pilot Member
 Vacant, Public Member

Staff Present

Allen Garfinkle, Executive Director
 Roma Cristia-Plant, Assistant Director
 Dennis Eagan, Board Counsel
 Luis Cruz, Staff Services Analyst
 Sigrid Hjelle, Office Technician

Public Present

Knute Michael Miller, Past Board President; Captain Joseph Long, Port Agent and San Francisco Bar Pilot (SFBP) President; Ray Paetzold, SFBP Business Director-General Counsel; Mike Jacob, Pacific Merchant Shipping Association (PMSA) Vice President and General Counsel; Captain Einar Nyborg, SFBP; Captain Dave McCloy, SFBP; Rollie Caabay, State Lands Commission; Rune Iversen and Bill Bruin, Simpson Gumpertz & Heger Inc.

OPEN MEETING

1. Call to Order and Roll Call –President Schmid

President Schmid called the meeting to order at 9:33 a.m. Staff Services Analyst Cruz called the roll and confirmed a quorum.

**2. Review and approval of Board meeting minutes –President Schmid
 Board action to approve meeting minutes from the Board meeting held on
 December 15, 2016.**

Board members were presented with the minutes of the meeting held on December 15, 2016. There was no discussion of the minutes and no public comments.

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MOTION: President Schmid moved to approve the minutes of the meeting held on December 15, 2016. Commissioner Hoppes seconded the motion.

VOTE: YES: Schmid, Connolly, Hoppes, Livingstone and Schneider.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

**3. Announcements – President Schmid
Announcement of events affecting Board business since the last Board meeting.**

President Schmid announced that Captain Nyborg accepted her offer to be appointed to fill vacancies on the Finance, Pilot Fitness and Pilot Pension Committees. She stated that Commissioner Livingstone has resigned from his position on the Finance Committee, and she has appointed him as Chairman of the Rules and Regulations Committee.

**4. Board Member Activities – Board Members
Reports by Board Members having Board business-related activities since the last monthly Board meeting or planned prospectively.**

Commissioner Livingstone announced that he, as Chairman of the Pilot Continuing Education Committee, met with faculty and staff of the California State University Maritime Academy (CMA) Extended Learning program and discussed initial thoughts of curriculum changes in the Combination Course that is part of the Pilot Continuing Education Program training. He stated the meeting provided a great opportunity for input by all parties.

5. Directors’ Report – Executive Director Garfinkle/Assistant Director Cristia-Plant

A) Correspondence and activities since the Board meeting held on December 15, 2016.

Executive Director Garfinkle reported on the correspondence and activities since the Board’s December meeting as follows:

- On December 27, 2016, Board staff received a copy of an announcement from the Commanding Officer at the National Maritime Center concerning processing delays with Merchant Mariner Credentials, and confirming the United States Coast Guard (USCG) is granting extensions to any endorsements for any mariner whose Merchant Mariner Credential expires on or after December 31, 2016, until September 30, 2017.
- On January 5, 2017, he received a letter from Mike Jacob, PMSA’s Vice President and General Counsel, requesting a clarification of the Board’s position regarding the office of the Port Agent and the application of the Political Reform Act to that office,

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including with respect to the position of the Port Agent being occupied by a former Board member within one-year of his leaving office.

- On January 9, 2017, Board staff issued a press release announcing the 2017 Pilot Trainee Training Program Selection Examination will be administered the week of June 12, 2017, and that the press release was provided to various maritime unions, maritime academies, and maritime stakeholder groups.
- On January 11, 2017, Board staff was notified that the Board Budget Change Proposal (BCP) to cover a projected increase in Board office lease costs associated with renewing the current lease at 660 Davis Street was presented to the Legislature and posted on the Department of Finance's website. This BCP requests a budget augmentation of \$129,000 for the 2017-18 fiscal year, and increases of \$8,000 annually for the first four years of the new facility lease, and an additional rise of \$8,000 annually for next four years. Board staff continues to finalize the terms and conditions of the new facility lease with staff at the Department of General Services.
- On January 12, 2017, Board staff provided former Board President Knute Michael Miller with a letter acknowledging and thanking him for his gift of two books to the Board's library collection. One of these books is *Crossing the Bar: Adventures of a San Francisco Bar Pilot*, written by Captain Paul Lobo (a former Board licensee), and the other is *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger* by Marc Levinson.
- On January 18, 2017, Board staff received an article from *Fairplay*, an industry publication, concerning marine pilot boarding accidents.
- Also on January 18, 2017, he received an invitation to attend selected social events being hosted by the San Francisco Bar Pilots as part of the Annual West Coast Pilots Conference, being held in San Francisco on April 11-13, 2017.
- On January 23, 2017, Board staff received a copy of an article from *Business Insider* that reported on a Georgetown University study examining median salaries for graduates from over 1,400 colleges 10 years after graduation. In California, CMA came out on top with a median salary 10 years after graduation of \$81,100. Similarly, salaries 10 years post-graduation were highest in Maine and New York for Maine Maritime and the United States Maritime Academy (Kings Point) graduates, respectively.
- On January 24, 2017, Board staff received a copy of the PMSA's *West Coast Trade Report* for January 2017, showing 11-month shipping activity gains up and down the West Coast.
- Also on January 24, 2017, Board staff received a copy of the Masters, Mates and Pilots (MMP) *Wheelhouse Weekly*, an emailed newsletter sent to all MMP-contracted vessels. The E-news included the Board's Pilot Trainee Training Program examination press release announcing the upcoming Trainee Selection Examination. Board staff also has online advertising on *GCaptain* and print ads in *Professional Mariner* and *Pacific Maritime Magazine*.

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B) Report on pilot licensing matters in the past month and current month.

Executive Director Garfinkle reported on the following pilot licensing matters:

- Between the November and December Board meetings, staff renewed the licenses of Captains Favro, Johnson, and Ridens.
- Since the December Board meeting, staff renewed the licenses of Captains Rocci, Teague, Carlson, Coppo, McIsaac, Robinson, Carlier, Kelso, Kellerman, Ruff, Pinetti, and Stultz.

C) Report on Board surcharges.

Executive Director Garfinkle reported the Board received a check from the SFBP for \$145,733.74 for the month of December 2016's surcharge revenues as follows:

- Board Operations Surcharge: \$93,838.74
- Pilot Continuing Education Surcharge: \$3,145.00
- Trainee Training Surcharge: \$48,750.00

D) Report on legislative activities and contractual matters.

Assistant Director Cristia-Plant reported there was no legislation to report on. She reported the following on contractual matters.

- Board staff received a fully executed copy of the new facility lease from the Department of General Services (DGS). The new lease extends the current lease by eight years, with the first four-year term being non-cancellable. She stated that rents have approximately doubled from the current rent rates, and will increase each lease year by a small inflation factor. Additionally, as Executive Director Garfinkle previously explained, the Governor's 2017-18 budget includes a BCP for additional budgetary authority to pay the increased rent costs. The BCP includes a condition that the Board will re-examine its facility lease location and costs prior to the end of the first four-year term.
- The Board and the San Francisco Bar Pilots executed a second emergency contract for surcharge and training program services. This new emergency contract has a start date of January 1, 2017, and expires June 30, 2017.
- With the second emergency contract in place, Board staff continue to work on the new 5-year contract with the San Francisco Bar Pilots. The new 5-year contract is expected to have a term running from July 1, 2017, through June 30, 2022, and will need to be completed by the end of this upcoming June.
- The Board and CMA have executed a contract amendment for Pilot Continuing Education Program training services. The amendment updated the instructors listed

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in the contract from Captain Waugh to Captain McIntyre. Captain McIntyre's first combination course training will be in April 2017.

- Board staff is still awaiting a determination from the California Department of Human Resources (CalHR) whether the two entities can enter into an interagency agreement for trainee drug testing under CalHR's master drug testing contract. At issue is whether CalHR has the authority under its current drug testing contract to test individuals who are not State employees. CalHR staff have provided an update that its legal staff have reviewed the matter, and will finalize a legal opinion in the near future.
- The California Highway Patrol continues to work on contract procurement documents to retain CPA services for the Pilot Pension Plan. Staff expects that a contract will be in place towards the end of the first quarter of this year. In the interim, staff continues to prepare the monthly pension plan reports, and the quarterly surcharge calculations.
- As stated at prior meetings, CalPERS has confirmed that the Board can utilize one of the firms from their pre-approved pool of actuaries. Staff is ready to work with CalPERS upon direction from the Board to contract with an actuary.

Assistant Executive Director Cristia-Plant confirmed for Vice President Connolly that the Board's facility rent increases are consistent with the increases experienced by other commercial tenants in San Francisco's Financial District area, and confirmed by DGS staff. Additionally, she stated that DGS confirmed there was no office space available within the Oakland State Building, and that relocating to another building would involve inestimable tenant improvement costs along with moving costs.

Vice President Connolly pointed out that, even though the National Maritime Center was extending the time period for MMCs, an MMC-holder's medical certificate still needs to be current. Executive Director Garfinkle responded that this was indeed the case, and additionally noted that pilots, not being members of the crew, are not subject to requirements set forth in the Standards of Training, Certification and Watchkeeping Rule (STCW).

Vice President Connolly mentioned several statistics from the *Fairplay* article, "Dangerous Ladders," and stated the risk presented by unsafe pilot boarding ladders is a very relevant topic for discussion in light of recent safety standard violations. Port Agent Long confirmed for Commissioner Hoppes that it is impossible to visually see a non-compliant pilot boarding ladder. Vice President Connolly noted that Pilots are under a commercial pressure and a natural bias to complete any job they are assigned to, which may cloud their best judgment, and increase risks to safety.

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6. Port Agent's Report – Captain Joseph Long

A) Monthly report on pilot availability and absences.

Port Agent Long reported that Captain Kenyon has been absent for medical reasons (AFMR) since July 2, 2016, and that he was placed on medical disability status effective July 25, 2016. He reported that Captain Kirk has been AFMR since January 5, 2017, and Captain Epperson has been AFMR since January 17, 2017.

Port Agent Long reported the SFBP continually monitors the dispatch list for possible minimum rest period (MRP) exceptions, and if the potential exception is likely to result in a rest period of less than ten hours, mitigating measures are employed by the SFBP. He reported that these measures include, but are not limited to, suspending continuing professional development protocols, cancelling scheduled meetings, cancelling previously granted compensating time off requests, suspending SFBP internal working rules, or calling in off-watch pilots.

He reported the SFBP currently has 59 licensed pilots. He added that there were 9 MRP exceptions in December, and that the shortest rest period was 8.9 hours.

B) Monthly report on SFBP ship piloting business activity.

Port Agent Long reported that the P/V SAN FRANCISCO was out of service for repairs to its gyrocompass commencing January 17, 2017, and returned to service January 20, 2017.

Port Agent Long reported the billed vessel moves in December 2016:

- Bar Crossings: 541 Moves
- Bay Moves: 132 Moves
- River Moves: 42 Moves
- Total Moves: 715 Moves
- Gross Registered Tons (GRT) 30.2 Million

Port Agent Long reported that, when comparing 2016 Vessel move data with 2015, total moves were up 5.2% and GRTs were up 15%.

C) Monthly confidential written report of pilots who have been absent for medical reasons (AFMR) presented to Board. The Board may go into closed session to discuss contents of the Port Agent's confidential report as authorized by Harbors and Navigation Code § 1157.1.

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There was no discussion of the confidential written report of pilots who have been absent for medical reasons. There was no closed session discussion of this item.

Port Agent Long added to his report above and reported that the SFBP completed six peer reviews since the December 2016 Board meeting. Vice President Connolly and Commissioner Livingstone commended Port Agent Long for his efforts related to peer reviews. He also confirmed for Vice President Connolly that Captain Epperson is absent for medical reasons due to an accident involving a pilot ladder.

Lastly, Port Agent Long reported on a weather-related service interruption affecting the SFBP, and provided the following information to the Board:

- A service interruption occurred between Saturday, January 21, 2017, and the morning of Sunday, January 22, 2017, due to severe weather conditions, and that the last similar service interruption was 4-5 years ago.
- Allowable bar crossings were determined on case-by-case basis, with factors such as horse power, hull shape, the type of carrier, and tonnage taken into consideration. He noted that weather-forecasting tools and monitors are better now than a decade ago.
- On the morning of January 21, 2017, the SFBP was closely monitoring weather conditions on the San Francisco Bar. Buoys were reporting sea swells in excess of 20 feet, and Sea Buoy 142 near the Bar recorded an isolated reading of a 35-foot swell, with wind speeds increasing and forecasted to reach 50 knots by midnight.
- Through Vessel Traffic Service (VTS), late Saturday morning, he made a recommendation to the Captain of the Port (COTP) to close the Bar until slack water at 1600 in interest of public, pilot, and vessel traffic safety.
- At approximately 1300 on Saturday, February 21, 2017, due to bad weather predicted throughout Saturday night, through the SFBP dispatcher and operations pilot, he recommended that vessels intending to transit the San Francisco Bar not do so before 0600 on Sunday. He also communicated this recommendation to VTS.
- At 0600 Sunday, weather conditions were clear and he lifted his prior service interruption recommendation, and all service returned to normal.
- While many vessels had elected to delay or divert to anchor on their own accord, to his knowledge, two arriving vessels and approximately five departing vessels were impacted by his service interruption recommendation.

Commissioner Schneider thanked Port Agent Long on his constant and clear communication throughout the service interruption. Port Agent Long confirmed for Commissioner Hoppes that he did not receive any push-back on the service interruption from vessel operators. He stated the SFBP operations pilot was very busy during the service-interruption period, and that although communication with the United States Coast Guard (USCG) was challenging at times, the USCG was ultimately supportive. He added that a follow-up meeting with the

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USCG could provide an opportunity for clarification of the Port Agent and USCG regulations and responsibilities, and the development of best practices.

Board Counsel Eagan proffered several questions regarding the Port Agents' authority in closing the bar channel and whether the USCG has procedures in place for closing the bar channel. Port Agent Long clarified that the Port Agent cannot close the channel for all traffic, only the COTP has that authority. He stated that his authority involves cancelling pilots for vessels requiring pilots, and that his main service interruption decision factors involve the possibly of vessels bottoming out within the channel, windage affecting the crab angle of a vessel within the channel, and impacts to the physical boarding and disembarking of pilots. Additionally Port Agent Long stated he was not aware of any federal law that authorizes the USCG to completely close the channel.

Vice President Connolly noted that one item to consider when talking to the USCG is that their emergency procedures are not connected to those of SFBP. He stated it would be ideal to have a dedicated emergency team put into place. Port Agent Long stated that is the current objective.

Captain Nyborg addressed the Board and stated that today's ships have ocean-weather-tracking systems in place. He stated that weather tracking allows for optimal routing across oceans, contributing to reduced travel time and fuel economy. He stated that ocean weather-tracking systems do not take into consideration sea conditions at the San Francisco Bar channel. He stated that the responsibility falls upon SFBP to take action and decline to participate in unsafe bar crossings. Lastly, he stated that it is his opinion that pilots should not have to rely on the USCG to close the bar, and that he supported the Port Agent's service-interruption decision. Captain McCloy commented that SFBP pilot boat crews spend a lot of time at the bar channel, and their input can aid in the implementation of modeling swell and wave conditions.

7. Pilot Evaluation Committee – Captain George Dowdle

A) Report on the Pilot Evaluation Committee (PEC) meeting held on January 18, 2017.

PEC Chairman Dowdle was not in attendance. Executive Director Garfinkle read Chairman Dowdle's report and stated the following:

- The PEC met on January 18, 2017.
- All Trainees were interviewed individually in closed session.
- The six current trainees include: Captains Rubino, Cvitanovic, Alfery, Vogel, McNamara and Greger. Their time in the program ranges from 2 weeks to 26 months.
- There is one trainee in evaluation status.
- All trainees are continuing to progress and meet required benchmarks.

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- On January 4, 2017, new trainees Captains McNamara and Greger attended an orientation session presented by Executive Director Garfinkle and PEC Chairman Captain Dowdle.
- The PEC will meet next on February 15, 2017.

B) Possible PEC recommendation to place one or more Pilot Trainee Training Program trainees on probation, or dismiss one or more trainees from the program. Possible Board action to place one or more Pilot Trainee Training Program trainees on probation, or dismiss one or more trainees from the program.

There were no recommendations.

C) Possible PEC recommendation for a determination that a trainee has or trainees have completed the Pilot Trainee Training Program. Possible Board action to award a Certificate of Completion to a trainee who has completed the Pilot Trainee Training Program.

There were no recommendations.

D) Possible recommendation from the Executive Director for the appointment of a new pilot or pilots. Possible Board action to accept a recommendation from the Executive Director that a trainee holding a Certificate of Completion from the Pilot Trainee Training Program be licensed as a state-licensed pilot.

There were no recommendations.

8. Reported safety standard violations – Executive Director Garfinkle (Reports received between the issuance of this notice and the meeting will also be reported on.) Report on the Pilot Boarding Arrangements Deficiency Report involving the M/V ALLISE P manrope failure, wherein the manrope parted under load as the pilot disembarked on January 9, 2017.

Executive Director reported that on January 9, 2017, he received a pilot boarding arrangement deficiency report from Captain Dylan Epperson, explaining that as he was disembarking the M/V ALLISE P, the manrope parted, resulting in 5-8 ft. fall onto the pilot vessel deck. Upon further inspection it was determined that the eye of the manrope was in poor condition.

Port Agent Long replied to a question from Board Counsel Eagan regarding procedures on relieving pilots on the pilot vessel deck and stated that arrangements can be made by pilots prior to disembarking. Captain Nyborg noted that if multiple pilots are aboard, it is a

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common courtesy to help the next pilot off. Captain McCloy commented that within the past year and a half, pilots have experienced three broken manropes. Port Agent confirmed for President Schmid that an outbound ship does not delay its route when an incident occurs.

**9. Reportable Piloting Events – Executive Director Garfinkle (Reports received between the issuance of this notice and the meeting will also be reported on.)
Initial report on an event involving the M/T STI ST. CHARLES making unintended contact with the pier at Shell Martinez #3 while docking on January 7, 2017.**

Executive Director Garfinkle provided a brief synopsis of the piloting event involving the M/T STI ST. CHARLES making unintended contact with the pier at Shell Martinez #3 on January 7, 2017, and indicated that initial surveyed damage estimates are approximately \$40,000. He reported that the Incident Review Committee (IRC) should have a full report completed by the February or March Board meeting. The 90-day date for the IRC report is April 04, 2017.

**10. Loss of propulsion/low sulfur fuel report – Executive Director Garfinkle
Report on loss of propulsion events arising in November and December, 2016, including those events suspected to be due to low sulfur fuel issues.**

Executive Director Garfinkle reported that there was no Harbor Safety Committee (HSC) meeting in November 2016, that he received a two-month HSC San Francisco harbor safety report covering November and December at the January HSC meeting, and noted that there were no loss of propulsion issues attributable to fuel switching.

Captain Nyborg indicated that reporting of loss of propulsion due to fuel switching was not that useful anymore given the infrequent occurrence, but that he thought that the frequency of loss of propulsion reporting was important to the Board, and proposed the Port Agent could provide this data to the Board in the future.

**11. Pilot Fitness Committee – Chairman Miller
Report on the Pilot Fitness Committee meeting held on January 12, 2017.**

Chairman Miller reported that the Pilot Fitness Committee met on January 12, 2017. He stated the Committee discussed the pilot and trainee fitness determination services provided by the Regents of the University of California, San Francisco Campus (UCSF), stating pilots have experienced delays in obtaining appointments due to the restricted number of available appointment days. He stated the contract initially listed 3 examining physicians, although there are currently only two. He stated Dr. Kosnik is sympathetic, and has pledged to work on getting the physician availability issues resolved.

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Chairman Miller reported that it is anticipated there will need to be some updates to the pilot fitness regulations to address some practical issues that have arisen since the implementation of the new regulations in April 2014. He stated that the PFC will work with the Board's Rules and Regulations Committee on proposed amendments to the regulations.

Chairman Miller provided an update on the San Jose State University Research Foundation (SJSURF) fatigue study, and stated that SJSURF researchers participated in ride-alongs with SFBP, allowing researchers the opportunity to obtain firsthand knowledge of the daily pilot job functions. He reported the researchers have obtained approval of the university's Internal Review Board, and are working on obtaining a human subjects confidentiality review from the National Institute of Health (NIH). Chairman Miller also reported the Committee intends to report to the Board its recommendation on a draft of the Nondisclosure Agreement between SJSURF and SFBP.

12. Navigation Technology Committee – Commissioner Livingstone

A. Report on the Navigation Technology Committee meeting held on January 10, 2017.

Committee Chairman Commissioner Livingstone reported that the Navigation Technology Committee met on January 10, 2017, and discussed the process for and content of SFBP's navigation technology purchase proposal. He stated the first part of the Committee meeting discussed the application and process that would be used for the navigation technology purchases, and stated:

- The SFBP has proposed a process similar to the pilot vessel purchase/capital improvement procedure that involves a preliminary approval and a final approval, along with a reasonable and necessary finding.
- The Committee learned that industry is supportive of a two-step navigation technology purchase process involving a Board preliminary approval and a final approval.
- The SFBP also presented information that would constitute the application contents, and included memos describing the process, the SFBP's presentation, and supporting materials, including comparison charts for precision docking system hardware/software and route piloting system hardware, detailed cost estimates, a training plan covering 2017-2020, and a 2017 timeline.
- The Committee moved to recommend to the Board (1) a process for approving a navigation technology purchase proposal and (2) the contents of a proposed application, as the proposed process and application content are outlined in the San Francisco Bar Pilots NavTech Committee report dated December 12, 2016, which process includes a finding of necessity and reasonableness, and a preliminary navigation technology purchase approval followed by a final purchase approval.

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Chairman Livingstone then stated the second part of the Committee meeting entailed the discussion and review of SFPB's navigation technology proposal, and stated:

- Mr. Paetzold and Captain McCloy provided the Committee with a thorough discussion and review of the San Francisco Bar Pilots' navigation technology proposal that covered the following--
 - The features of the equipment and software tested and a comparison of vendors, along with the SFPB's selected equipment and vendors.
 - The basis for the selection of equipment and software.
 - The plans for maintenance and periodic updates.
 - A proposal for back-up units.
 - Itemized and total costs.
 - Training plans for the new technology and equipment, and a proposed timeline.
- The Committee learned that industry is supportive of the SFPB's proposal, and suggested increasing the preliminary approval amount to include an option for outright purchase of docking system software, should the SFPB decide that option is best.
- The Committee moved to recommend to the Board that it grant a preliminary authorization to the San Francisco Bar Pilots to proceed with the purchase of navigation technology route piloting and precision docking hardware, related software, and warranty/service support at an estimated cost of \$1,168,068, including an option to purchase the precision docking software outright, and to make a finding that the proposed navigation technology purchase is reasonable and necessary.

Commissioner Hoppes stated he attended the Committee meeting and praised the SFPB on their professionalism and extensive research. He then inquired whether the proposed 5 units were enough to service the needs of the pilots since trends show an increase in ship size. Port Agent Long responded that precision docking units are generally used with ships of 1115 ft. in length or greater. Captain McCloy also commented that there may be remaining unspent authority within the maximum \$1.2M budget to acquire additional precision docking units, if necessary

Commissioner Hoppes inquired whether pilots may share route piloting units among themselves instead of each pilot having their own. Captain McCloy replied that personal piloting units (PPUs) are calibrated to each specific pilot and their individual personal preferences, and that the units would not be sharable without significant time-consuming setting reconfigurations each time a pilot picked up a shared PPU. There is often not time for such reconfiguration between a pilot's arrival on the bridge and commencement of the pilot's navigational responsibilities.

Ex Officio Member DeAlba commended the work of the Navigational Technology

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Committee. He stated the Committee provided a thorough analysis of all related material. He then asked for clarity on the preliminary authorization. Board Counsel Eagan replied that the Committee meeting involved two separate discussions and motions: (1) a discussion and motion on a recommendation to the Board of a navigation technology two-step Board approval process involving a preliminary approval and a final approval, and the application contents for a navigation technology purchase request; and (2) a discussion and motion on a recommendation to the Board of the actual application and proposal submitted to the Committee. He stated the Board has been provided with the materials that were presented at the Committee meeting.

Mr. Paetzold provided the following updates since the January 10, 2017, Navigational Technology Committee meeting:

- The SFBP has executed a service contract to continue receiving service and support for the existing PilotMate equipment until the new Precision Docking system units are in use.
- SFBP has executed all loan documents to establish an independent \$1.1 million line of credit to convert to a long-term loan for the purchase and acquisition of the proposed new precision docking and route piloting systems.
- The SFBP has commenced contracting with Trelleborg to order the precision docking system hardware in advance of Board approval, given concerns about the length of time it will take between the order placement and delivery. He stated the delivery date for the requested hardware is expected to be the second week of April 2017.
- Discussions with Trelleborg indicate cost estimates relative to the service contracts and the SafePilot server in conjunction with the precision docking system may result in final figures higher in certain areas and lower in others than those initially proposed.
- The proposed timeline for SFBP's acquisition, training and commissioning for the two systems was provided at the January 10, 2017, Navigational Technology Committee meeting. Assuming the Board approves SFBP's navigation technology application and grants a preliminary authorization, the SFBP expects to complete the contracting process over the course of the next week for the remaining elements of the precision docking system. SFPB also expects to complete contracting for the long-lead time hardware orders for the route piloting system and the remaining elements of that system over the upcoming week.
- The SFBP will provide the Board and PMSA with periodic updates over the next couple of months, although it is SFBP's goal to have final cost numbers to warrant seeking a final authorization in March 2017, with the implementation of the Navigation Technology Surcharge starting on April 1, 2017.

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- B. Committee recommendation to the Board to adopt a process for approving a navigation technology purchase by San Francisco Bar Pilots (SFBP) involving a preliminary authorization followed by a final authorization as outlined in the SFBP’s *Nav Tech Committee memo* dated 12/12/2016, Sections 1 a. through s. Possible Board action to adopt a process for approving a navigation technology purchase by the SFBP involving a preliminary authorization followed by a final authorization as outlined in the SFBP’s *Nav Tech Committee memo* dated 12/12/2016, Sections 1 a. through s.**
- C. Committee recommendation to the Board that the proposal from the SFBP to purchase navigation technology route piloting and precision docking hardware, related software, and warranty/service support is reasonable and necessary. Possible Board action to find that the proposal from the SFBP to purchase navigation technology route piloting and precision docking hardware, related software, and warranty/service support is reasonable and necessary.**
- D. Committee recommendation to the Board to grant a preliminary authorization to the SFBP to proceed with the purchase of navigation technology route piloting and precision docking hardware, related software, and warranty/service support at an estimated cost of \$1,168,068. Possible Board action to grant a preliminary authorization to the SFBP to proceed with the purchase of navigation technology route piloting and precision docking hardware, related software, and warranty/service support at a an estimated cost of \$1,168,068.**

MOTION: Commissioner Hoppes moved that the Board approve (1) the process for a navigation technology purchase proposal and (2) the contents of a proposed application as the proposed process and application content are outlined in the San Francisco Bar Pilots NavTech Committee report dated December 12, 2016, which process includes a finding of necessity and reasonableness, and a preliminary navigation technology purchase approval followed by a final purchase approval. President Schmid seconded the motion.

VOTE: YES: Schmid, Connolly, Hoppes, Livingstone and Schneider.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

MOTION: President Schmid moved that the Board grant a preliminary authorization to the San Francisco Bar Pilots to proceed with the purchase of navigation technology route piloting and precision docking hardware, related software, and warranty/service support at an estimated total cost of

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\$1,168,068, including acquiring the precision docking software either by purchase or subscription, and to make a finding that the proposed navigation technology purchase is reasonable and necessary. Vice President Connolly seconded the motion.

VOTE: YES: Schmid, Connolly, Hoppes, Livingstone and Schneider.
NO: None.

ABSTAIN: None.

ACTION: The motion was approved.

13. Report on Hanjin Shipping Co. bankruptcy – SFBP General Counsel/Business Director Paetzold

Report on the status of the SFBP fee recovery actions involving Hanjin Shipping Company.

Mr. Paetzold provided the Board an update on the SFBP’s claim with the Hanjin shipping company bankruptcy. He reported:

- The total owed from nine different vessels is approximately \$180,000 in pilotage fees and \$60,000 in surcharges.
- The SFBP is continuing to monitor Korean bankruptcy proceedings through a Korean counsel, and that a meeting of creditors was postponed to March.
- The SFBP is continuing to monitor the U.S. bankruptcy proceeding in federal court in New Jersey.
- The SFBP concluded escrow agreements with owners of two of the ships representing 25% of total fees and surcharges owed by Hanjin, and that at end of six months, the SFBP expects to receive amounts owed by those ships, less any recovery from Hanjin.
- The SFBP has prepared complaints for possible filing in federal court against remaining vessel owners, and expects to send draft complaints to owners this week to provide opportunity to pay amounts owed prior to filing
- The SFBP continues to monitor the name changes and trading activities of the remaining vessels, which remain in foreign or international waters.
- SFBP has expended about \$22,000 on outside counsel to date in its attempts to recover the pilotage fees and surcharges owed by Hanjin.

14. Review of State Controller Audit report - Executive Director Garfinkle and Assistant Director Cristia-Plant

Review of pilotage and surcharge audit report for calendar years 2014 and 2015, prepared by the State Controller’s Office (SCO) under contract with the Board.

Possible Board action to accept the report in satisfaction of contract scope of work

Executive Director Garfinkle requested to defer this agenda item to the February 2017 Board meeting since SCO has not yet completed the report.

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**15. Review and acceptance of Condition and Valuation Survey for the Pilot Vessel CALIFORNIA – Executive Director Garfinkle.
Possible Board action to accept Condition and Valuation Survey for the Pilot Vessel CALIFORNIA.**

Executive Director Garfinkle entertained a motion to accept the report, as presented, at the previous Board meeting.

MOTION: President Schmid moved that the Board accept the Condition and Valuation Survey for the Pilot Vessel CALIFORNIA, dated December 5, 2016, prepared by Dana R. Teicheira, CMS, ASA. Commissioner Livingstone seconded the motion.

VOTE: YES: Schmid, Connolly, Hoppes, Livingstone and Schneider.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

**16. Report on the status of San Francisco Bar Pilot Pension Plan litigation – Board Counsel Eagan
Status report on Craig E. Reeder vs. State Board of Pilot Commissioners litigation. The Board may go into closed session to discuss with Board Counsel any matters subject to attorney-client privilege as per Government Code §11126(e) of the Bagley-Keene Open Meeting Act.**

Board Counsel Eagan stated there was nothing to report.

**17. Board discussion of best practices in maritime safety – Vice President Connolly
A Board discussion of best practices in maritime safety and/or lessons learned from Incident Review Committee incident reports or other sources, and possible directions to staff to develop safety policies and procedures. Possible Board action to direct staff to develop safety policies and procedures.**

Vice President Connolly remarked about the earlier pilot ladder safety article and discussion, and noted that he forwarded to Executive Director Garfinkle Marine Guidance Notes on fatigue and human factors in maritime safety for future discussions relating to maritime safety.

18. Public comment on matters not on the agenda.

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Captain McCloy thanked the Board for its cooperation and patience in relation to the SFBP's navigation technology application and preliminary purchase approval. He also thanked Captains Weiss and Merrit for their efforts.

19. Proposals for additions to next Board meeting agenda.

There were no proposals for additions to the next Board meeting agenda.

20. Adjournment.

MOTION: President Schmid moved to adjourn the meeting. Vice President Connolly seconded the motion.

VOTE: YES: Schmid, Connolly, Hoppes, Livingstone and Schneider.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved. The meeting was adjourned at 11:55 a.m.

Submitted by:



Allen Garfinkle, Executive Director