

Minutes

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun regular meeting was held in the Board of Pilot Commissioners office, Pier 9, Suite 102, San Francisco, CA commencing at 10:30 a.m. on Thursday December 14, 2006, Commissioner Falaschi presiding. A quorum was present, including Commissioners Miller, Wagner and Wainwright. Also present were SFBP Port Agent Captain McIsaac, Board Counsel Paetzold, Executive Director Moloney and Secretary Alice Evans.

Request approval of Minutes of the November 16, 2006 regular Board meeting. The minutes were unanimously approved.

Correspondence and Activities since the November meeting -- Executive Director Moloney

1. The Board received a letter dated November 10, 2006 from Investigator Captain Jones regarding his resignation as investigator.
2. The Board forwarded a letter dated November 17, 2006 to Mr. Keith Nezaam, Department of Finance requesting approval of an increase in the Board's Operations Surcharge to 2.1%, effective January 1, 2007 and to increase same to 2.4% effective July 1, 2007, pursuant to Harbors and Navigation Code Section 1159.1.
3. The Board forwarded letters dated December 12, 2006 to SFBP Captains Chadwick, Crowell, Gjevik and Rioux regarding their Statutory Pension Benefits.

Other Pilot Matters -- Executive Director Moloney

1. The Board issued license renewals to Captains Gans, McBride and Welch during the month of December.
2. The Board has received manpower reports and statements for Pilotage fees and surcharges collected from SFBP through October and Inland Pilot through November 2006.

Port Agent's Report -- SFBP Captain Peter McIsaac

1. Captain Dennis Plant is FFD as of December 1, 2006.
2. Minimum Rest Period Exceptions: There were 6 total exceptions in November with a minimum rest period of 9.5 hours.
3. Vessel Moves: In general vessel moves in October and November were down slightly when compared to the previous 6 months. Statistics YTD through November compared to three-year average for the same time:

Bar Crossings	+13%
Bay Moves	+32%
River Moves	+8%
Total Moves	+16%
GRT	+22%

4. The P/V SAN FRANCISCO was out of service two days for port reduction gear issues.

Unfinished Business

1. Open Incidents -- Executive Director Moloney
 - a. M/V PACIFIC SUCCESS, allision with Berth Pier 4, Port Chicago, September 10, 2006, SFBP Captain H. Kenyon
 - b. M/V IOANISS THEO, allision with Rich Berth 5A, September 14, 2006, SFBP Captain M. Simenstad

Executive Director Moloney reported that the IRC requests an extension for incidents a. and b. listed above as they are over 90-days and Board staff have been fully engaged in the process for seeking an increase in the Board's expenditure authority (as discussed under the Finance Committee report below.)

It was moved and seconded to extend the IRC reports for incidents M/V PACIFIC SUCCESS and M/V IOANISS THEO until the next Board meeting. Commissioner Falaschi asked for comments from the public and discussion. There were no comments from the public and no discussion. The motion passed unanimously.

- c. M/V POLAR CALIFORNIA, allision with fishing boat, Pt. Blunt, October 29, 2006

Executive Director Moloney reported that this incident remains under investigation.

Executive Director Moloney reported that the IRC investigated an incident regarding two Canadian destroyers berthed at Pier 27 with an ebb tide; the outboard vessel was pulled hard and listed 10% causing the vessel to reach over the Yokohama fender and to make bow-to-bow contact with the inboard vessel. Executive Director Moloney made an investigation and determined no damage except for a small dent. The IRC determined this to be a non-incident. It was moved and seconded to accept the IRC report. Commissioner Falaschi asked for comments from the public and discussion. There were no comments from the public and no discussion. The motion passed unanimously.

2. Pilot Ladder reportable incidents -- Executive Director Moloney said there are no reportable incidents.
3. Rules and Regulations Committee -- Commissioner Wainwright said there is no report.

4. Finance Committee -- Commissioner Falaschi -- Report on December 14, 2006 Committee meeting -- including possible recommendations to amend BOPC's expenditure authority to accommodate increased expenses related to pilot trainee training, fiduciary and actuarial study; and adjustment to Board Operations Surcharge (currently 2% increasing to 2.1% eff. 1/1/07 and 2.4% eff. 7/1/07 pending Dept. of Finance approval), Pilot Vessel Surcharge (currently 4.5 mils), Pilot Trainee Training Surcharge (currently \$7/trainee/move) and Pilot Training Surcharge (currently \$20/move increasing to \$30/move eff 7/1/07) rates -- **possible Board action re same**

Commissioner Falaschi referred to Commissioner Miller, who was requested to work with Board staff and Department of Consumer Affairs/Department of Finance regarding BOPC's expenditure authority to accommodate increased expenses related to pilot trainee training, fiduciary and actuarial study. Commissioner Miller said he reported at the Finance Committee meeting today and that the Committee reviewed the trainee stipend, the need for a selection process in August 2007 and related matters, and the fiduciary and actuarial study. He gave an overview of the Department of Finance procedures to obtain an increase in the expenditure authority and the DCA/budget analyst's recommendation to limit the request to one item at a time. He reviewed the importance that all expenditure increases be included in the Spring Finance Letter. He then deferred to Commissioner Falaschi.

Commissioner Falaschi reported that the Finance Committee recommends, in the form of a motion, to authorize the Board President and or Executive Director to finalize the Spring Finance Letters to increase expenditure authority for expenses related to pilot trainee training, fiduciary and actuarial study. It was seconded to accept the recommendation. Commissioner Falaschi asked for comments from the public and discussion. There were no comments from the public and no discussion. The motion passed unanimously.

It was noted that DCA/Budget Analyst Lum in an e-mail dated December 13, 2006, had recommended additional increase in the Board's surcharges(s) to provide additional reserves to support the Spring Finance Letters but that action on this recommendation appeared premature until the need for, and amount of any such increases, could be determined.

Commissioner Falaschi noted that the Board's responsibility is to provide safe pilotage and that the Board will take all steps necessary to resolve the pilot trainee training issues as soon as possible and that all members are aware of the importance of this matter.

5. Pilot Training Curriculum Committee -- Commissioner Wagner said there is no report.
6. Pilot Evaluation Committee -- Capt. Roberts -- Swear in Captains Ridens and Teague -- Captain Roberts said the next Committee meeting is scheduled for December 20 and that the Committee will welcome four new trainees to make a total of seven as of January 1, 2007. He then referred to Commissioner Falaschi. Commissioner Falaschi then swore in Captains Ridens and Teague and presented each with a Certificate of Completion of the Board's pilot trainee training program. (Their licenses will become effective on January 1, 2007 conditioned on the retirement of two pilots.)

The Board and audience congratulated Captains Ridens and Teague.

7. Pilot Power Committee -- Commissioner Wagner reported that a Committee meeting is scheduled for January 10, 2007 at 10:00 a.m. to review updated Section 237(d) material and review a possible need for a Pilot Power Hearing.
8. Pension Committee -- Commissioner Miller -- Report on November 16, 2006 Committee meeting; including possible recommendations regarding options for selecting/contracting with new fiduciary and for actuarial study -- **possible Board action re same** -- Commissioner Miller reported that the Committee met November 16 and another meeting is scheduled for January 11, 2007 at 10:00 a.m. for continued review of rulemaking language. The Committee is reviewing the scope of work for the fiduciary and actuarial study and various qualified firms. Request for Expenditure Authority for these items will be included in the Spring Finance Letters.
9. Vessel Interactions -- Executive Director Moloney said there are no vessel interactions to report.
10. Pilot Security -- Commissioner Falaschi said there is no report.
11. Ad hoc Committee for Pilot Fitness -- Commissioner Falaschi said there is no report.
12. Pilot Identification Cards -- Executive Director Moloney -- status of federal proposal for Transportation Worker Identification Credential (TWIC). Executive Director said there is no report.
13. Ad Hoc Committee on Pilot Safety -- Commissioner Falaschi said there is no report.

New Business

1. Election of Officers -- possible Board action to elect President and Vice President. This item will remain on the agenda pending possible appointments.
2. Authorization for Board President and/or Executive Director to sign the following contracts: FY 07/08 contracts for maritime legal services with Emard Danoff Port Tamulski & Paetzold, LLP for up to \$300,000 and Farbstein & Blackman, APC up to \$30,000; Investigators Smith and Figari up to \$7,000 per year (3 yr contract); California Maritime Academy up to \$20,000 per year (2 yr contract); and miscellaneous office equipment, equipment repair and security contracts -- **possible Board action re same**

Executive Director recommended and explained the need to increase the California Maritime Academy contract to read up to \$30,000 per year because of the anticipated upcoming trainee selection process tentatively scheduled for August 2007.

It was moved and seconded to authorize Board President and/or Executive Director to sign the following contracts: FY 07/08 contracts for maritime legal services with Emard Danoff Port Tamulski & Paetzold LLP for up to \$300,000 and Farbstein & Blackman, APC up to \$30,000; Investigators Smith and Figari up to \$7,000 per year (3 yr contract); California Maritime Academy up to \$30,000 per year (2 yr contract); and miscellaneous office equipment, equipment repair and security contracts. Commissioner Falaschi asked for comments from the public and discussion. There were no comments from the public and no discussion. The motion passed unanimously.

3. Public Comment on matters not on the agenda -- there were none.

4. Proposals for additions to next month's agenda -- there were none.

Schedule next regular meeting -- the next meeting is scheduled for January 25, 2007 at 9:30 a.m. (The Finance Committee will be at 8:30 a.m.)

Adjournment -- the meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Alice A. Evans
Secretary