

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 1 of 14</b></p>
--	---	----------------------------

**Board Members Present**

Jennifer Ferrera Schmid, President, Public Member  
 Dave Connolly, Vice President, Public Member  
 John Schneider, Wet Cargo Industry Member  
 David Hoppes, Dry Cargo Industry Member  
 Captain George Livingstone, Pilot Member  
 Benjamin De Alba, 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 Mike Miller, Past Board President; Captain Joseph Long, Port Agent; Captain George Dowdle, San Francisco Bar Pilot (SFBP); Ray Paetzold, SFBP; Mike Jacob, Pacific Merchant Shipping Association (PMSA); Captain Jeremy Lowe, Pilot Trainee; Stephanie Lowe, Emily Lowe and Patricia Garren; Captain Anne McIntyre, Columbia River Bar Pilots; and Rex Clack, Esq.

**OPEN MEETING**

**1. Call to Order and Roll Call –President Schmid**

President Schmid called the meeting to order at 9:30 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  
 October 27, 2016.**

Board members were presented with the minutes of the meeting held on October 27, 2016. There was no discussion of the minutes and no public comments.

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 2 of 14</b></p>
--	---	----------------------------

**MOTION:** President Schmid moved to approve the minutes of the meeting held on October 27, 2016. Vice President Connolly 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 introduced Commissioner David (Dave) Hoppes, the Board’s newest member representing the Dry Cargo Industry.

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

There were no announcements by Board members.

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

**A) Correspondence and activities since the Board meeting held on October 27, 2016.**

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

- Earlier this month, Board staff began the annual participation in the California State Employees Food Drive.
- On November 3, 2016, Board staff received a copy of the Pilot Vessel DRAKE’s 2016 Condition and Valuation Survey/Appraisal Report.
- On November 7, 2016, Board staff received a letter informing the Board that on November 2, 2016, a majority of pilots licensed by the Board elected Captain Joseph Long to serve as SFBP President and Port Agent.
- On November 7, 2016, Board staff were notified that Captain Joseph Long tendered his resignation as a member of the Board to the Governor, effective November 2, 2016.
- On November 7, 2016, he attended a Directors’ meeting at the California Transportation Agency.
- On November 10, 2016, he and Staff Services Analyst Cruz attended a Harbor Safety Committee meeting at the Port of San Francisco’s Pier 1 office.
- On November 16, 2016, Board staff received a copy of the PMSA West Coast Trade Report for November 2016.

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 3 of 14</b></p>
--	---	----------------------------

**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 September and October Board meetings, staff renewed the licenses of Captains Kleess and Dowdle.
- Since the October Board meeting, staff renewed the licenses of Captains Teague and Rocci.

**C) Report on Board surcharges.**

Executive Director Garfinkle reported the Board received a check from the SFBP for \$163,940.42 for the October 2016 surcharge revenues as follows:

- |                              |               |
|------------------------------|---------------|
| • Board Operations Surcharge | \$ 108,330.42 |
| • Pilot Continuing Education | \$ 3,530.00   |
| • Trainee Training Surcharge | \$ 52,084.00  |

**D) Report on legislative activities and contractual matters.**

Assistant Executive Director Cristia-Plant reported on the following legislative activities and contractual matters:

- The Board's emergency contract with the San Francisco Bar Pilots is in place and runs through the end of the calendar year.
- Board staff have drafted a non-competitive procurement justification and a new 5-year contract with the SFBP. She reported that since it is unlikely that the new, long-term contract will be in place by the end of 2016, she is working with Mr. Paetzold and the Board's contract analyst at the California Highway Patrol (CHP) to extend the existing emergency contract with the SFBP into next year.
- As reported last month, the Board and Caltrans have also executed a new \$46,000 three-year agreement with the California Department of Transportation for desktop information technology and information security support services. CHP staff are processing the final paperwork on the contract.
- Board staff are still awaiting a determination from the California Department of Human Resources (CalHr) if the two entities can enter into an interagency agreement for trainee random and incident drug testing. Since the last Board meeting, CalHR has advised that its director has instructed CalHR legal staff to research the issue of providing drug testing services to non-state employees under CalHR's master drug testing contract.
- CHP contract staff continues to work on contract procurement documents to retain CPA services for the San Francisco Bar Pilot Pension Plan. Staff expects that a

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 4 of 14</b></p>
--	---	----------------------------

- contract will be in place sometime next 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 their pre-approved pool of actuaries. Staff is ready to work with CalPERS upon direction from the Board to contract with an actuary.

**6. Confirmation of newly appointed Port Agent Pursuant to Harbors and Navigation Code Section 1130 – President Schmid**  
**Possible Board action to confirm the November 2, 2016, Port Agent appointment by a majority of the pilots licensed by the Board.**

President Schmid announced that the SFBP recently elected Captain Joseph Long as Port Agent. She thanked outgoing Port Agent Pete McIsaac for his dedicated services as Port Agent, and stated that she believes Captain Long will do an exceptional job as his replacement. Captain Long stated that he enjoyed his time on the Board, and is looking forward to his responsibilities as Port Agent, if confirmed by the Board, and pointed out that his November 7, 2016, letter to Executive Director Garfinkle named Captains Carlier, D’Aloisio, McCloy, Merritt, Nyborg and Teague as Acting Port Agents.

**MOTION:** President Schmid moved to confirm the November 2, 2016, Port Agent appointment of Captain Joseph Long by a majority of the pilots licensed by the Board. Vice President Connolly seconded the motion.

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

**ACTION:** The motion was approved.

**7. Port Agent’s Report**

**A) Monthly report on pilot availability and absences.**

Port Agent Long reported that Captain Kelso has been absent for medical reasons since June 19, 2016, and that he was placed on medical disability status effective July 20, 2016. He also reported that Captain Kenyon has been absent for medical reasons since July 2, 2016, and that he was placed on medical disability status effective July 25, 2016.

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

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 5 of 14</b></p>
--	---	----------------------------

previously granted compensating time off requests, suspending SFBP internal working rules, or calling in off-watch pilots.

He reported the SFBP currently has 57 licensed pilots. There were 4 MRP exceptions in September, and the shortest rest period was 10 hours.

**B) Monthly report on SFBP ship piloting business activity.**

Port Agent Long reported that the P/V GOLDEN GATE was out of service for half a day for planned maintenance on October 26, 2016. He further reported the P/V CALIFORNIA was out of service for planned maintenance commencing November 8, 2016.

Port Agent Long reported billed vessel moves in October 2016:

- Bar Crossings: 550 moves
- Bay Moves: 113 moves
- River Moves: 38 moves
- Total Moves: 701 Moves
- Gross Registered Tons (GRT): 31.2 Million

Port Agent Long reported when comparing 2016 year-to-date vessel move data with the same 10-month period in 2015, total moves were up 4.3%, and GRTs were up 9%.

Port Agent Long reported that Peer Reviews were continuing to be conducted, and that 14 reviews have been completed. He stated that manpower issues impact the rate of peer reviews, that e-pilots may conduct future reviews, and that he will periodically apprise the Board of reviews as they are completed. There was no further discussion or comments.

**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.**

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.

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 6 of 14</b></p>
--	---	----------------------------

**8. Pilot Evaluation Committee – Captain George Dowdle**

**A) Report on the Pilot Evaluation Committee (PEC) meeting held on November 9, 2016.**

PEC Chairman Captain Dowdle reported the following:

- The PEC met on November 9, 2016.
- All Trainees were interviewed individually in closed session.
- The six current trainees include: Captains Lowe, Rubino, Cvitanovic, Epperson, Alferts and Vogel. Their time in the program ranges from 8 to 24 months.
- Two trainees are in evaluation status.
- All trainees are continuing to progress and meet the required benchmarks.
- The PEC will meet next on December 7, 2016.

**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.**

Captain Dowdle reported that the PEC completed its final assessment of trainee Captain Jeremy Lowe at its meeting on November 9, 2016, and determined that Captain Lowe successfully completed all elements of Section 214 (c) and (h) of the Pilot Training Program requirements listed in the Board’s regulation. Captain Dowdle provided the Board with the following information:

- Captain Lowe has a total of 633 training jobs, of which 162 were as observer, 403 were handled or partially handled in which Captain Lowe directed the navigation and control of the vessel under the direct supervision of a pilot.
- Captain Lowe has completed 94 jobs with PEC members, 25 of which were in the last 90 days.
- As required by regulation, Captain Lowe maintained an average score during jobs with PEC members of over 4.0 in each of the last 3 months, resulting in a 3-month average score of 4.58.

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 7 of 14</b></p>
--	---	----------------------------

- The PEC has determined that Captain Lowe has successfully completed the Pilot Trainee Training Program, and recommended the Board issue to Captain Lowe a Certificate of Completion from the Board’s Pilot Trainee Training Program, effective November 17, 2016.

Executive Director Garfinkle confirmed for the Board that Captain Lowe has completed all of the Pilot Trainee Training Program requirements. There was no further discussion or comments.

**MOTION:** Commissioner Livingstone moved to award a Pilot Trainee Training Program Certificate of Completion to Captain Jeremy Lowe. President Schmid seconded the motion.

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

**ACTION:** The motion was approved

**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.**

Executive Director Garfinkle reported to the Board that he has received an application for licensing from Captain Jeremy Lowe, and that all licensing requirements have been met with the exception that he has yet to receive a completed Statement of Fitness for Duty from the Board’s physicians for Captain Lowe, and that he expected to receive the statement later that day or the next day. Given the need for Board-licensed pilots, he recommended to the Board to authorize him to issue a pilot license to Captain Lowe conditioned upon the receipt of a satisfactory Statement of Fitness for Duty. There was no further discussion or comments.

**MOTION:** President Schmid moved that the Board issue a pilot license to Captain Jeremy Lowe conditioned upon the Executive Director’s receipt of a satisfactory Statement of Fitness for Duty. Commissioner Schneider seconded the motion.

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

**ACTION:** The motion was approved.

President Schmid then called for a recess to issue the oath to Captain Lowe.

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 8 of 14</b></p>
--	---	----------------------------

**RECESS START TIME: 9:51 A.M.**  
**RETURN TO OPEN SESSION: 10:06 A.M.**

**9. Reported safety standard violations – Executive Director Garfinkle (Reports received between the issuance of this notice and the meeting will also be reported on.)**

Executive Director Garfinkle stated there were no safety standard violations to report

**10. Reportable Piloting Events – Executive Director Garfinkle (Reports received between the issuance of this notice and the meeting will also be reported on.)**

**A) Status report on the September 3, 2016, wake damage at the RiverPoint Landing Marina Resort near Stockton, California, alleged to be caused by the T.V. LUIGI LAGRANGE. Possible Board action to grant an extension to the IRC to present this report at the December Board meeting.**

Executive Director Garfinkle reported that the piloting event involving the T.V. LUIGI LAGRANGE occurred on September 3, 2016. He stated that during the course of the investigation, the Incident Review Committee (IRC) determined that there was clearly no pilot error in the case and discontinued the investigation. He reported that the IRC further determined that even though there was no pilot error involved with this event, the Committee concluded that there exists the potential for future property damage or personal injury if pilots do not proceed at the safest possible speed to minimize the wakes resulting from vessel movements near marinas and other similar facilities.

Executive Director Garfinkle stated that he intends send out a letter to the pilots who are commissioned by the Port of Stockton and the Port of Sacramento to raise awareness among the pilots of the potential for property damage when navigating ships in narrow channels, and to encourage the pilots to proceed past marinas and other such facilities at the safest possible minimum speed.

Vice President Connolly thanked the IRC for its diligent work, and noted that while the damage to the marina in this case was minimal, he thought it wise to consider the worst case scenario, and he supported Executive Director Garfinkle sending out a letter of caution to the relevant pilots.



<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 9 of 14</b></p>
--	---	----------------------------

**B) Status report on the September 7, 2016, grounding of the S.S. PETERSBURG in Suisun Bay, while being flat towed to the Suisun Bay Reserve Fleet. Possible Board action to grant an extension to the IRC to present this report at the December Board meeting.**

Executive Director Garfinkle reported that the piloting event involving the S.S. PETERSBURG occurred on September 7, 2016, and the 90-day date for the IRC report is December 6, 2016. He stated that the IRC has not yet received event information requested from the United States Coast Guard (USGC). Executive Director Garfinkle stated in interest the of a thorough investigation, the IRC respectfully requests an extension of time beyond the 90-day statutory timeline to present the investigation report to the December 15, 2016, Board meeting.

**MOTION:** Vice President Connolly moved that the Board grant an extension to the Incident Review Committee to present its report on the S. S. PETERSBURG event at the December 15, 2016, Board meeting. President Schmid seconded the motion.

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

**ACTION:** The motion was approved.

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

Executive Director Garfinkle reported that there were three loss of propulsion/power incidents reported on October’s USCG San Francisco Harbor and Safety Statistics report, and that although one incident was reported as related to fuel switching, this incident was a mechanical issue related a fuel setting rather than a fuel switching issue.

**12. Navigation Technology Committee – Commissioner Livingstone**

**A) Report on the Navigation Technology Committee meeting held on November 8, 2016.**

Committee Chairman Livingstone announced that the Navigational Technology Committee did not meet on November 8, 2016. He stated that the process to identify adequate navigational equipment is a lengthy process involving a worldwide search for vendor, and that the Navigational Technology Committee meeting is considering meeting again in early December.

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 10 of 14</b></p>
--	---	-----------------------------

Mr. Jacob stated the industry is interested in moving forward expeditiously on the acquisition of navigation equipment for ultra large container vessels, and that he still has concerns about the decision-making process on the new technology and the related surcharge. He referred to his October 24, 2016, letter to the Board outlining his concerns, and urging the Board to adopt emergency regulations. He stated that there is still time for the Board to seek emergency rulemaking, and that it is better to have a process in place than no process at all related to navigation technology.

Board Counsel Eagan confirmed for the Board that there will be a transparent process related to navigation technology since the Navigation Technology Committee and Board meetings are open to the public, and all meeting materials are made available to the public. He reiterated his earlier conclusion that there is no requirement for regulations in this one-off event, and stated the Board previously rejected undertaking navigation technology regulations.

Committee Chairman Livingstone and Vice President Connolly both commented that the Committee members expressed a concern at the October 12, 2016, Committee meeting that promulgating regulations would hinder the process of approving the purchase of new navigation technology and the related surcharge rate, and would cause extra unnecessary staff work at this time. Vice President Connolly added that the Committee carefully reviewed and considered the points in Mr. Jacob's prior letter, and that he agrees that the process the Committee and Board will undertake for the acquisition of the new technology and related surcharge is an important one. Committee Chairman Livingstone stated that the Committee and Board can consider navigation technology regulations at a later date.

- B) Possible Committee recommendation on proposals to upgrade the Navigation Technology currently used by the San Francisco Bar Pilots as reasonable and necessary within the meaning of Harbors and Navigation Code §1190.4, which may include a presentation and consideration of evidence and data to support the recommendation. Possible Board action to find that a proposal from SFBP for the acquisition of navigation technology is reasonable and necessary.**

There were no Committee recommendations.

### **13. Finance Committee – Commissioner Schneider**

- A) Report the Finance Committee meeting held on November 16, 2016.**

Committee Chairman Schneider announced that the Finance Committee met on November 16, 2016, and reviewed the Board's funds condition statements, budgets, and

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 11 of 14</b></p>
--	---	-----------------------------

surcharge rates. He thanked Assistant Executive Cristia-Plant for the fiscal information she provided to the Committee.

**B) Review Finance Committee recommendations on the following Board surcharges:**

Committee Chairman Schneider summarized the Committee's surcharge discussion and recommendations, stating that the Committee recommends no rate change for the Board Operations, Pilot Continuing Education and Pilot Vessel Surcharge rates. He stated that these surcharge rates are on target with budget and fund balance projections, and added that the loan on the Pilot Vessel Drake is scheduled to be paid off early some time next Spring.

Committee Chairman Schneider further stated that the Committee is recommending to the Board to increase the Pilot Trainee Training Surcharge rate from \$14/trainee/move to \$20/trainee/move, effective January 1, 2017. He commented that the Pilot Trainee Training fund balance will be significantly depleted this fiscal year due to the expenses related to the program entrance examination to be held in June 2017, and that the Committee's proposed surcharge rate is anticipated to incrementally replenish the Trainee Program fund balance in the intervening years until the next examination is held. Mr. Paetzold additionally added that it is likely the number of trainees will fall below six for a portion of next year. Mr. Jacob confirmed that he supports the increase in the Pilot Trainee Training Surcharge rate.

- a. Board Operations Surcharge (currently 3% of all pilotage fees): The Committee may recommend change to the Board Operations surcharge. Possible Board action to change or not change the Board Operations Surcharge rate.**
- b. Pilot Continuing Education surcharge (currently \$5 per move): The Committee may recommend change to the Pilot Continuing Education surcharge. Possible Board action to change or not change the Pilot Continuing Education Surcharge rate.**
- c. Pilot Trainee Training Surcharge (currently \$14/trainee/move): The Committee may recommend change to the Pilot Trainee Training surcharge. Possible Board action to change or not to change the Pilot Trainee Training Surcharge rate.**
- d. Pilot Vessel Surcharge (currently at 2.62 mills or \$0.00262): The Committee may recommend change to the Pilot Vessel surcharge. Possible Board action to change or not to change the Pilot Vessel Surcharge rate.**

**MOTION:** Commissioner Schneider moved that the Board accept the Finance Committee's recommendation to change the Pilot Trainee Training Surcharge rate from \$14/trainee/move to \$20/trainee/move, effective January 1, 2017, and that there be no change to the Board Operations,

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 12 of 14</b></p>
--	---	-----------------------------

Pilot Continuing Education and Pilot Vessel Surcharge rates. President Schmid seconded the motion.

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

ACTION: The motion was approved.

**C) Possible consideration of Finance Committee recommendation to the Board for the implementation and management of a Navigation Technology Surcharge to take effect no sooner than January 1, 2017. Possible Board action on implementation and management of Navigation Technology surcharge.**

There was no recommendation. Commissioners Livingstone and Port Agent Long confirmed for Commissioner Hoppes that a Navigation Technology Surcharge rate will be determined by the Board once it is known what navigation technology is being purchased, and when the total costs are known, including financing costs.

**D) Discussion of Finance Committee recommendation regarding establishing reasonable fund balance reserve targets for the Board Operations, Pilot Trainee Training Program and Pilot Continuing Education Program fund balances. Possible Board action to establish reasonable fund balance reserve targets for the Board Operations, Pilot Trainee Training Program and Pilot Continuing Education Program fund balances.**

Commissioner Schneider announced that Board staff presented a report recommending a 1-year fund balance reserve target for all fund/subfund balances consistent with the past practices of the Finance Committee, and that staff's recommendation was based on governmental accounting best practices. He stated staff also recommends a fund balance replenishment timeframe of up to 1 year for the Board Operations fund and the Pilot Continuing Education Program fund, and a replenishment time period of 2-3 years for the Trainee Training Program fund.

He stated the Committee decided that the Board need not adopt a fund balance policy, but that the Committee will utilize Board staff's recommendation when reviewing fund balances and recommending surcharge rate changes to the Board in the future.

Commissioner Livingstone commented that Hurricane Sandy caused a fiscal crises to ports in New York and New Jersey, and that he agrees it is prudent to have conservative fund balance reserve targets.

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 13 of 14</b></p>
--	---	-----------------------------

- E) 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 confirmed for the Board that the 2014 and 2015 combined audit of the San Francisco Bar Pilot’s surcharge schedules prepared by the State Controller’s Office is not yet complete, and will be presented to the Board at a later meeting.

**14. Review and acceptance of Condition and Valuation Surveys for the Pilot Vessel DRAKE – Executive Director Garfinkle.**

Executive Director Garfinkle presented the pilot vessel survey for the P/V DRAKE, and stated that regulations call for a pilot vessel survey every two years to determine if the vessel safe and suitable for its intended use, and that the Board only needs to accept the report.

Executive Director Garfinkle responded to a query from Vice President Connolly about the exceptions noted in the report, and stated that he will follow up on the outstanding items.

**MOTION:** Vice President Connolly moved that the Board accept the Condition and Valuation Survey/Appraisal Report for the Pilot Vessel DRAKE prepared by Dana R. Teicheira, CMA dated November 2, 2016. Commissioner Livingstone seconded that motion.

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

**ACTION:** The motion was approved.

**15. 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.

**16. 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.**

<p><b>Meeting Date:</b> <b>November 17, 2016</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>BOARD MEETING MINUTES</b></p>	<p><b>Page 14 of 14</b></p>
--	---	-----------------------------

Vice President Connolly stated there was nothing to report.

**17. Public comment on matters not on the agenda.**

Executive Director introduced Captain Anne McIntyre from the Columbia River Pilots. He stated that she will be teaching the Pilot Continuing Education combination course at the California State University Maritime Academy with Captain Schisler next spring. There were no comments from the Board or the public.

**18. Proposals for additions to next Board meeting agenda.**

Commissioner Livingstone reported that work is progressing on updating combination course training modules, and that he will present to the Board reports from upcoming meetings to be held by the Pilot Continuing Education Committee and the Navigation Technology Committee.

**19. 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 10:55 a.m.

Submitted by




---

Allen Garfinkle, Executive Director