

<p><b>Meeting Date:</b>  November 19, 2014</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>PILOT BOAT ADVISORY COMMITTEE MEETING MINUTES</b></p>	<p><b>Page 1 of 3</b></p>
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**Committee Members Present:**

RADM. Frank Johnston, President, Public Member  
John Schneider, Commissioner, Wet Cargo Industry Member  
Michael O’Callaghan, Committee member, Engineering Professional

**Committee Members Absent:**

None.

**Staff Present**

Allen Garfinkle, Executive Director  
Roma Cristia-Plant, Assistant Director  
Kelly Dolcini, Staff Services Analyst  
Sigrid Hjelle, Office Technician

**Public:**

Ray Paetzold, San Francisco Bar Pilots (SFBP) General Counsel  
Dave McCloy, SFBP pilot

**OPEN MEETING**

**1. Call to Order and Roll Call. (Chair Johnston)**

Committee Chair Johnston called the meeting to order at 9:30 a.m. Staff Services Analyst Dolcini called the roll and confirmed a quorum.

**2. Review the P/V PITTSBURG Service Life Extension Project, progress to date, including the Board’s Necessity Determination and Preliminary Authorization.**

Ray Paetzold walked the Committee through the history the P/V PITTSBURG Service Life Extension Project, its progress to date, and the necessary processes, including the Board’s Necessity Determination and Preliminary Authorization. It was noted that this is a three-step process, and the first two steps, Necessity Determination and Preliminary Authorization, had been approved by the Board previously.

**3. Review the Final Authorization Request and supporting documentation from the San Francisco Bar Pilots and develop recommendation on approval of final authorization. Committee to determine reasonableness of the request in light of the necessity determination, and an assessment of the operational savings expected from the life extension modifications. Possible recommendation to the Board on approval of the final authorization on the service life extension modifications to the P/V PITTSBURG.**

The Committee reviewed invoices for the project, paying particular attention to the change orders once the vessel was in the yard. The total expenditures for the project were \$185,932.95. This amount is approximately \$26,000 more than the initial estimate provided

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prior to the commencement of the project, largely due to additional corrosion and worn out equipment discovered in the yard after the removal of the fendering system and the old engines, and the extra time needed to correct those problems. This extra time resulted in additional charter hire of the temporary replacement vessel and related costs.

The Committee discussed whether some of the items found once the vessel was in the yard could have been identified prior to the commencement of the project and included in the preliminary authorization request, and discussed whether some of the vessel's condition might have been corrected earlier, but ultimately concluded that all the work done was reasonable and necessary to extend the service life of the vessel another ten years, and that the costs expended on the project were reasonable. The Committee noted that the vessel is subject to periodic vessel condition surveys by an independent surveyor, and that those surveys are required to be provided to the Board.

The pilots reported that they were successful in obtaining a Carl Moyer Program grant from the California Air Resources Board in the amount of \$68,500 to recover part of the costs of the new Tier 3 engines, which are cleaner burning engines that help reduce air pollution. All the documentation for that grant has been submitted for final approval and the pilots await receipt of those funds. This leaves a net amount of \$117,432.95 to be recovered through the Pilot Boat Surcharge.

The Committee concluded that the documentation provided was thorough and complete and adequately supported the request for Final Authorization.

**MOTION:** There was a motion to issue a Final Authorization to permit the San Francisco Bar Pilots to recover \$117,432.95 for the costs they incurred in funding design and engineering modifications intended to extend the service life of the P/V PITTSBURG.

**VOTE:** A voice vote was taken, and the motion passed unanimously.

**ACTION:** The motion was approved.

Following the vote there was a discussion concerning the Pilot Boat Surcharge and the balance of the current account. The Finance Committee has previously reported that at the time of its last review, the Pilot Vessel Surcharge had reserves of about \$280,000 and that if the Final Authorization for the service life extension project for the PITTSBURG did not exceed \$120,000 the entire amount could be funded from the reserves without a change in the pilot boat surcharge rate and still leave an adequate reserve for servicing the loan for the P/V DRAKE. The Committee decided this was an open question that could be put before the Board.

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

There was none.

**5. Proposals for additions to the next month's agenda.**

There were none.

**6. Adjournment.**

Committee Chair Johnston adjourned the meeting at 10:40 a.m.

Submitted by:



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Allen Garfinkle  
Executive Director