

## **KITSAP TRANSIT BOARD OF COMMISSIONERS MEETING MINUTES OF November 07, 2023**

### **Board of Commissioners Present:**

Driskell, Robert, Teamsters Local No. 589, *non-voting member* - **Absent**

Erickson, Becky, Mayor, City of Poulsbo, **Chair**

Garrido, Charlotte, Kitsap County Commissioner

Mockler, Anna, Councilmember, City of Bremerton

Putansuu, Robert, Mayor, City of Port Orchard

Rolfes, Christine, Kitsap County Commissioner

Schneider, Leslie, Councilmember, City of Bainbridge Island

Stern, Ed, Councilmember, City of Poulsbo

Walters, Katie, Kitsap County Commissioner

Wheeler, Greg, Mayor, City of Bremerton, **Vice Chair**

### **Staff Present:**

Sanjay Bhatt, Marketing & Public Information Director; Jackie Bidon, Interim Clerk of the Board, Public Records Officer; John Clauson, Executive Director; Cyndi Griffey, Worker/Driver Supervisor; Dennis Griffey, Vehicle and Facilities Maintenance Director; Kathryn Jordan, Routed Operations Manager; Steffani Lillie, Service and Capital Development Director; Charlotte Sampson, Executive Assistant/Deputy Clerk of the Board; Raymond Scott, Marine Services Director; Paul Shinnars, Finance Director; Jeff Vinecourt, ACCESS Manager

**Also Present:** David Weibel, Legal Counsel and Dylan Doty, Legislative Liaison

**1. CALL TO ORDER:** Chairperson Erickson called the meeting of the Kitsap Transit Board of Commissioners to order at 8:30 AM.

### **2. AGENDA REVIEW**

Upon review by the Board, the agenda remained unchanged.

### **3. CHAIRPERSON'S COMMENTS**

Chairperson Erickson acknowledged today as election day, thanking all the elected officials for their public service and wishing them luck. She recognized Veteran's Day on Saturday, asked everyone to keep in mind all the Veterans in our community and honor them for the service they have provided to our country.

### **4. COMMUNITY ADVISORY COMMITTEE REPORT**

Executive Director Clauson shared that the Community Advisory Committee meeting was cancelled, so there was nothing to report.

## 5. CONSENT/ACTION ITEMS

- a. Warrants for September 2023
- b. Minutes of October 3, 2023, Board Meeting

**Commissioner Garrido moved and Mayor Putaansuu seconded the motion to approve the Consent Agenda.**

**Discussion:** None.

**Motion passed unanimously.**

## 6. FULL DISCUSSION /ACTION ITEMS:

- a. Presentation: 2024 Budget
  - Resolution 23-68, Approval of 2024 Budget

Executive Director Clauson shared that the 2024 Budget includes additional staff positions in the following areas: one in Marketing, two in Operations, and three in Human Resources.

Finance Director Paul Shinnars referred to the one-on-one meetings with the Board members where a detailed review with questions and answers took place. Shinnars presented the 2024 Operating Budget for Kitsap Transit, explaining operating revenue, operating expense, non-operating revenue/expense, sales tax revenue and state operating grants. Shinnars' presentation included the 2024 Transit Operating Budget and the 2024 Capital Budget for Kitsap Transit.

### **Discussion:**

Councilmember Stern requested a detailed explanation regarding the State Transit Support Grant. He asked if it is related to carbon credits and the roll Kitsap Transit might play in that, specifically what is the trend, what is being forecasted and how it is going to work for Kitsap Transit?

Director Shinnars stated that there are two sources of revenue from the Clean Fuel Standards Act. One source involves Kitsap Transit generating credits based on the electric bus fleet or anything else that is green energy. A third party takes the credits to a market. The credits, currently selling at \$60 - \$100 per credit, are sold creating revenue which is listed in the Other Income, Non-Operating Income line item. Eventually there will be a line item specifically listing the carbon credits. The second source is listed in the State Transit Support Grant line item. This is revenue generated at the state level or the state allocated funds.

Chairperson Erickson asked if Kitsap Transit gets carbon credits for using renewable diesel.

Director Shinnars answered, no. The refineries receive carbon credits for renewable diesel.

Councilmember Mockler stated that she understands the dollars for the bus shelter are listed under Operation and requested a line item be created for the bus shelters to extend the benefits to the people that are waiting for buses.

Executive Director Clauson noted that Councilmember Mockler did bring this up in the one-on-one meetings. He stated that, in the past, the purchasing of bus shelters was placed in the Operating budget because the cost wasn't at the level to qualify as a capital expenditure. Clauson shared that the recent purchase and delivery of bus shelters has raised the dollar amount to qualify being listed in the Capital Budget in the future. Executive Director Clauson added that he plans to bring the issue of bus shelters and shelter installations to a Work Study in 2024. This will help the Board have a good understanding of everything involved with bus shelters from concept, location, and installation.

Commissioner Walters asked for confirmation that, when the state ferry is back up to speed, the Kitsap Transit Bremerton Fast Ferry will continue to maintain service as it is now.

Director Shinners verified that as long as Kitsap Transit is collecting .03% in sales tax, which is what the Kitsap County voters voted for, the routes will not go away.

Executive Director Clauson shared that Kitsap Transit will continue to follow the business plan that was approved by the voters. The supplemental service that Washington State is paying for will go away once they get their second boat in service. He stated that the business plan will be followed.

Commissioner Walters asked if the service would stay the same once the supplemental pay goes away.

Executive Director Clauson explained that Kitsap Transit put additional sailings in place and are operating on Saturdays, all of which is being paid for by the State of Washington. The additional sailings will go away when Washington State Ferry re-establishes and is up running in Bremerton. He continued, saying that Kitsap Transit's basic service during the commute times, the summer schedules and the winter schedules will continue.

Commissioner Rolfes stated that the Board was supplied with an attachment detailing Washington State Ferry's supplemental service payment amount for the 2024 year. The supplemental payment amount is roughly \$2.5 million.

Director Shinners confirmed that amount is an estimated amount if Kitsap Transit will continue the route for the full 2024 period.

Chairperson Erickson asked when Kitsap Transit expects to have a fare increase plan.

Executive Director Clauson shared that he expects to bring the fare increase discussion before the Board early in 2024. He stated that he wants to start the discussion early in 2024, to be able to meet the requirements associated with being listed as a large urban agency.

Executive Director Clauson referred to the 2024 Ferry Budget, specifically the Electric Fast Foil Ferry, stating that the Governor's office approached Kitsap Transit with the suggestion of submitting a grant request in the amount of \$4 million. The requested amount is what it would take to complete the full design of the vessel and develop a prototype to validate their assumptions. He shared there was a deadline for submitting the request. With the deadline approaching, he spoke with the Board Chair, received her approval, and submitted the grant request to the Governor's office. Clauson stated that he wanted to point this out because it is in the Capital Budget with \$1 million in local funds identified. If Kitsap Transit doesn't receive the requested grant funds, they will not be spending the that \$1 million.

Executive Director Clauson spoke about the park-n-ride proposed in North Kitsap County, stating that he will be bringing this before the Board in a Work Study for a full discussion in early 2024.

Commissioner Rolfes emphasized revisiting the topic of the North County park-n-ride proposal, this is an issue that was brought before the Board of Commissioners meeting recently. The citizens asked why this was approved when there was no notice presented to the citizens, neighborhood, or the community. The funding is from a federal grant and the understanding is to keep it on the budget and fully brief the Board before the funds are spent and the commitment is made.

**Councilmember Stern moved and Mayor Wheeler seconded the motion to adopt Resolution No. 23-68, approving the 2024 Operating and Capital Budgets for the Transit Fund and the Ferry Fund, the structure and staffing chart, and the non-represented salary schedule for Kitsap Transit as presented in Exhibits A through D.**

**Motion passed unanimously.**

- b. Resolution No. 23-69, Approval Summit Law Group Contract

Executive Director Clauson shared this resolution is to give Kitsap Transit authority to enter into a contract with Summit Law Group. He stated that Kitsap Transit has used Summit Law Group almost since the creation of the agency. Their focus is primarily on labor, representing a majority of the transit agencies in Washington State. Clauson shared that staff has completed the solicitation process and recommends Summit Law Group to continue representing Kitsap Transit. Executive Director Clauson pointed out an error in the resolution and summary regarding Kitsap Transit employees being represented by three unions with four labor agreements. The correction is three unions, Teamsters, Machinists, and ATU, with seven labor agreements.

**Mayor Putansuu moved and Commissioner Garrido seconded the motion to adopt Resolution No. 23-69, authorizing Kitsap Transit to enter into a legal services contract with Summit Law Group for an initial term of three years with two one-year renewal options.**

**Discussion:** None.

**Motion passed unanimously.**

- c. Resolution No. 23-70, Approve RP1 Engine Overhaul

Executive Director Clauson shared that this resolution gives Kitsap Transit the authority to enter into an agreement with NC Power Systems to rebuild three RP1 engines. Clauson explained that Kitsap Transit has three spare engines for the RP Class vessels, which operate with four engines. When the time comes to swap out the engines, the first one that comes out of the vessel immediately goes to the shop for a rebuild while the other three are pulled and the spare engines put in their place. This process accelerates the ability to swap engines on the vessels, reducing the amount of time they are in dry dock. Clauson added that, once the engines are pulled out of the vessel, they need to be rebuilt and put back into the inventory so the engines are ready for the next time.

**Discussion:** None.

**Mayor Wheeler moved and Commissioner Garrido seconded the motion to adopt Resolution No. 23-70, authorizing staff to award contract KT 23-858, RP1 Engine Overhaul to NC Power Systems, in the amount of one hundred ninety-eight thousand four hundred forty-four dollars (\$198,444.00).**

**Motion passed unanimously.**

- d. Resolution No. 23-71, Approve Waterman Hull Painting and Repairs

Executive Director Clauson stated that the Coast Guard requires vessels to come out of the water for inspection periodically. He shared that the Coast Guard identified some repairs that need to be performed on the M/V Waterman. Kitsap Transit would like to take advantage of this to perform routine maintenance and repairs. Clauson stated that Kitsap Transit went out to bid, receiving three bids. The first bid was rejected as incomplete. After reviewing the remaining bids, Kitsap Transit would like to award the contract to Nichols Brothers.

**Discussion:**

Mayor Putaansuu asked what the third bid was?

Executive Director Clauson stated that the third bid was \$30 thousand more than Nichols Brothers.

**Mayor Putaansuu moved and Commissioner Garrido seconded the motion to adopt Resolution No. 23-71, authorizing Kitsap Transit to award contract KT 23-867, M/V Waterman Painting and Repairs, to Nichols Brothers Boat Builders in the amount of one hundred thirty-nine thousand three hundred fifty-eight dollars (\$139,358.00).**

**Motion passed unanimously.**

- e. Resolution No. 23-72, Southworth Change Order

Executive Director Clauson reported to the Board that this resolution is the documentation confirming the Change Order contracting with SASCON LLC to complete the parking stall numbering and painting for the Southworth Terminal Parking Lot and Ramp Construction project.

**Discussion:** None.

**Councilmember Mockler moved and Commissioner Garrido seconded the motion to adopt Resolution No. 23-72, authorizing staff to award a contract change order to SASCON LLC for the Southworth Terminal Parking Lot and Ramp Construction project for an amount of eleven thousand five hundred ninety-five dollars and thirty-six cents (\$11,595.36), which increases the Executive Director contract authorization in accordance with Kitsap Transit's procurement policy.**

**Motion passed unanimously.**

- f. Resolution No. 23-66, Adopting 2024 Goals

Executive Director Clauson stated that, during the October 3, 2023, Board meeting, discussion regarding the proposed 2024 Goals captured the majority of the intent. He added that Chairperson Erickson's directive was that if anyone had any comments or thoughts to either contact her or him. He stated that no one contacted him and after checking with Chairperson Erickson, no one had contacted her. At this time, Kitsap Transit is now submitting the 2024 Goals list for the Board's approval.

**Discussion:** Commissioner Garrido requested the Kitsap Transit 2024 Goals be read.

Executive Director Clauson read Kitsap Transit's 2024 Goals aloud.

**Commissioner Garrido moved and Commissioner Rolfes seconded the motion to adopt Resolution No. 23-66, adopting Kitsap Transit's 2024 Goals.**

**Motion passed unanimously.**

- g. Resolution No. 23-73, Approve 2024 Legislative Priorities

Legislative Liaison Dylan Doty shared that the 2024 Legislative Priorities had been shared at the October 3, 2023, Board meeting. He pointed to one change that was added at the third bullet point, referencing the continued investment in zero-emission ferry technology. He stated that this is meant to capture the issue Executive Director Clauson alluded to involving the hydrofoil. If this makes it into the budget, it will be something they will be pushing hard for and will result in two

budget requests. Doty added that bullet point number one regarding the Worker/Driver PERS exemption, requested by the operators themselves, is being worked on through the Select Committee on Pension Policy and should have a determination and guidance in the next couple of weeks.

**Discussion:**

Mayor Wheeler commented on the City of Bremerton's support for the ferry service and their partnership with the Navy regarding the increased growth within the city and Kitsap County. He noted the discussions of cost and maintaining the ferry service compared to the cost of a road grid, environmental costs and impacts of supporting 70,000 more people, suddenly makes the ferry system viable in more ways. Mayor Wheeler stated that it is a good approach to continue with the feasibility studies for intra-community transportation, connectivity, and maintaining what is currently available.

Commissioner Rolfes suggested that the Board have a detailed conversation about what they want in a feasibility study before they ask for it. She stated that they need to know if it is feasible today to run an intra-county system, the cost and what would make it feasible in the future.

Chairperson Erickson shared her support for the passenger-only ferries and the slower vessels. She stated that the faster, lighter boats are a problem, not only for climate change but also the expense to maintain these vessels. She agreed that a detailed conversation should take place in the future as well.

**Commissioner Walters moved and Mayor Putaansuu seconded the motion to adopt Resolution No. 23-73, adopting the 2024 Legislative Priorities for Kitsap Transit.**

**Motion passed unanimously.**

- a. Resolution No. 23-74, Cruise for People with Disabilities

Executive Director Clauson shared that this program has been around for several years and Kitsap Transit's involvement goes back to 1982. The Bremerton Yacht Club sponsors a Cruise for People with Disabilities which takes place in December and includes a meal with a cruise from the Bremerton Yacht Club up Dyes Inlet, where Santa Claus is on another yacht. Clauson stated that, in the past, Kitsap Transit donated the use of the Carlisle II for the evening. This year, Kitsap Transit is in the position to donate the labor and the vessel for the evening to support this cause. He shared that the resolution is seeking Board approval for the no cost charter for this year's Cruise for People with Disabilities.

**Discussion:**

Chairperson Erickson stated that she requested Executive Director Clauson bring this before the Board because of the recent charter for the Blackberry Festival with a large cost involved. She

shared that she would like to know what the policy is for charters. Is Kitsap Transit going to charge for charters or consider charters free, and what does this look like in the future?

Mayor Putaansuu agreed that, considering the historical nature of this cruise, it should continue this year. His concern is that there needs to be a policy for future charters and is not receptive in expanding this practice.

Executive Director Clauson stated that he would like to include this topic in a Work Study. There have been many requests for charters and there needs to be a clear process for this.

Commissioner Walters stated that she agrees with having a work study on the topic of charters. She asked if there are any other historical rides or charters that take place with Kitsap Transit.

Executive Director Clauson stated that there are none but we are getting requests from the public.

**Mayor Wheeler moved and Mayor Putaansuu seconded the motion to adopt Resolution No. 23-74, authorizing staff to waive the charter fee for providing transportation for the annual Bremerton Yacht Club Holiday Cruise for People with Disabilities.**

**Motion passed unanimously.**

## **7. EXECUTIVE DIRECTOR ITEMS**

Executive Director Clauson updated the Board on the following topics:

- Update on the additional Sunday Service and Kitsap Transit's plan to bring Sunday service to other areas by the end of the year is solely dependent on hiring the operators. The hope was to bring Sunday service to Port Orchard, Silverdale, and Poulsbo before the end of the year, but it doesn't look like Kitsap Transit is going to be in a position to do that. He stated that Kitsap Transit will be able to maintain the current Sunday service in Bremerton and look at the new target date in March 2024.
- Briefing on the grant request that was in the 2024 Budget, to the Governor's office and Kitsap Transit's efforts to solicit funds to continue the development process for the high-speed battery electric hydrofoil project.
- 2024 American Public Transportation Association (APTA) Expo. Clauson shared examples of noted takeaways. The first was a cutaway bus or a small electric bus, the Optimal-EV with a low floor. He shared that, when sitting in the rear of the bus, there is a window above the cab so passengers can see where they are going. This is a huge improvement on this type of bus. The second was bus shelters and a firm in Oregon that does murals on the glass of the bus shelters. He shared the opportunity to have murals specific to the communities, possibly utilizing Tribal and historical themes. Third was a trailer that has a battery storage system in it. He shared that this is mobile, giving the opportunity to bring power where there is none and the ability to partially charge four or five buses. There is currently not a price tag on this item.

Chairperson Erickson stated her concern about inclement weather with electric vehicles. How would they be able to recharge?

Clauson noted that in a case like that, a trailer such as this could be used to charge the vehicle.

Councilmember Stern added that he and Mayor Putaansuu attended the conference as well. He, again noted the benefit of electric double-deck buses between Bainbridge and North Kitsap, providing increased capacity and the benefit of carbon credits.

Executive Director Clauson continued with his report.

- Update on the site screening results of the Seattle Passenger Ferry Only Terminal. The early scoping document was approved by the FTA and released to the public. Kitsap Transit is moving on with the preliminary environmental and engineering studies on the three locations: Pier 48, North Apron of Pier 46, and Pier 58.
- Ruby Creek Park & Ride will include public restrooms, a park and three building pads. Kitsap Transit will, in the future, sell or lease long-term to a developer to develop a multi-level affordable housing unit. Kitsap Transit is working with the City of Port Orchard to develop a multi-lift sewage station as part of their project so the building pads will be ready for construction. Staff will bring to the Board an agreement to work with Port Orchard and their design consultant that will do the design work with Kitsap Transit paying for the design. Kitsap Transit will be paying for the multi-lift sewage station construction that will be used for the park & ride, the building pads, and surrounding establishments with late-comers agreements and reimbursements paid back to Kitsap Transit.

Mayor Putaansuu shared that the building pads are multi-use and would accommodate up to seven stories.

Chairperson Erickson asked if Kitsap Transit would have put the lift station if there were no building pads in the plans. She also asked why bathrooms are being built at this park & ride since they don't normally do that.

Executive Director Clauson reminded everyone that the Board directed the bathrooms for this project and for the East Bremerton Park & Ride. He also stated that Kitsap Transit is following the city's sub-area plan for that area makes sense. This type of planning is referred to as Transit Oriented Developing.

- Update on the Marketing effort with the City of Bainbridge Island. The city allocated \$100,000 to help with marketing the BI Ride Program. This has been a successful marketing plan, with a noticeable increase in the awareness and usage of the BI Ride Program. Kitsap Transit has not used all the allocated funds and has had a discussion with the Bainbridge Council asking to move the marketing efforts into 2024. Bainbridge Council has agreed to do this.

## 8. STAFF RECOGNITION / PROGRESS REPORTS

### a. Recognizing Drivers of the September 2023 (8:45am)

ACCESS Manager Jeff Vinecourt announced the September 2023 ACCESS Driver of the Month, Prince Banas, ACCESS Operator and Mentor. He has been with ACCESS since September 2018 and this is his second Driver of the Month Award. When he isn't driving, he enjoys working out and weightlifting. His personal goals are to pay off his house by the time he retires and to reconnect with his family overseas. His words of wisdom to his fellow drivers: "treat your first passenger of the day with respect, then do the same for the rest of the people you pick up that day."

Worker/Driver Supervisor Cyndi Griffey announced the September 2023 W/D Driver of the Month, Michael Babcock. Mike's most memorable moments are anytime he has to drive in the snow. He became a Worker/Driver in 2012 and was also in the Navy Reserves as well as working at PSNS. Mike's advice to other drivers is to slow down. He works in Code 290 CVN EFO.

Routed Operations Manager Kathryn Jordan announced the September 2023 Routed Driver of the Month, Jonathan Adkins. This is Jonathan's first Driver of the Month award. He has been with Kitsap Transit since March 2022. Jonathan has been awarded three Way to Go Awards and has been on the Honor Roll five times in his career at Kitsap Transit. He earned his one-year Expert Driving Award in March 2023. His most memorable moment at Kitsap Transit was getting Driver of the Month. Jonathan's professional goal is to have a long-lasting career with Kitsap Transit! His hobbies include hanging out with his family and watching his kids play sports. His words of wisdom to fellow drivers, "If you are determined to learn, no one can stop you".

- b. Draft Financial Reports through September 2023
- c. Capital Work in Progress September 2023
- d. Fuel Costs Report through the end of September 2023

Progress reports stand as reported.

## 10. PUBLIC COMMENTS

Roy Runyon of Port Orchard stated that Kitsap Transit wants to spend \$14.1 million dollars of taxpayer money, local and US money, to build a fast ferry to save \$700,000 a year in fuel costs. That payback period is twenty-seven years; that doesn't make business sense. He stated that he has taken several rides on the Swedish Candela, a full electric hydro-foiling vessel, as he is evaluating that for a water taxi. The only way to overcome the lack of energy density in those batteries is to get up on foil. So, the \$14.1 million all-electric Kitsap Transit-proposed hydrofoil will have the same limitations. A gallon of diesel fuel has 27 times more energy than an equivalent volume of lithium batteries. There is only one person on the Board that he knows of and has any knowledge of the technical limitations of the technology we are dealing with. Mr. Runyon also had safety concerns in the study where it talks about lithium batteries. There are different chemistries with the safest being lithium iron phosphate. A lot of the vehicle fires involving lithium

batteries use a very high energy density, fast charging, fast discharging battery technology that you don't want on your boat, especially with paying passengers. Mr. Runyon then brought up the topic of deadheads. The ferry would have a system for detecting what is floating on the water, marine life, etc. The problem is the sonar is not able to detect what is underwater right at the surface. Next, Mr. Runyon mentioned HVO (Hydro-treated Vegetable Oil) suggesting investing the taxpayer money in expanding the use of renewable diesel, R99, which reduces greenhouse gases by 75 percent. There is a manufacturer, NESTE, that distributes up to Portland. Kitsap Transit can lead the effort in allowing operators of diesel vessels to use renewable diesel. There is a shortage, right now, of production and supply.

Chairperson Erickson informed Mr. Runyon that his three minutes were up.

**11. FOR THE GOOD OF THE ORDER**

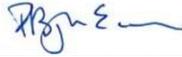
Mayor Wheeler advised Mr. Runyon that he could submit the remainder of his comments. He expressed his gratitude to the Salvation Army and their low barrier walk-up shelter. They opened their doors a month early, allowing 75 people to eat dinner in a warm environment. They will not do this year-round. In spring, this will stop. He stated that he will be looking for support in opening low barrier walk-up shelters in the city; he believes it is a county challenge but, with everyone working together, we can make this happen. Mayor Wheeler shared his gratitude for the Veterans and Bremerton's relationship with the Navy.

Commissioner Rolfes shared that she and Councilmember Schneider participated in last month's National Week Without Driving, carpooling to the Super Tuesday meetings. She stated that it was fun and will be continuing this for future Super Tuesday meetings.

**12. ADJOURN:** At 10:07 AM, Chairperson Erickson adjourned the regular meeting.

**ADOPTED** by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 5th day of December, 2023.

Attest:

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Rebecca Erickson, Chairperson

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Jackie Bidon, Interim Clerk of the Board