

**KITSAP TRANSIT BOARD OF COMMISSIONERS**  
**MEETING MINUTES**  
**FEBRUARY 19, 2008**

*Board of Commissioners Present:*

Bauer, Steve, Kitsap County Commissioner  
Brown, Josh, Kitsap County Commissioner, **Chair**  
Brockus, Adam, Bremerton City Councilmember  
Coppola, Lary, Mayor, City of Port Orchard  
Kordonowy, Darlene, Mayor of Bainbridge Island, **Vice-Chair**  
Maupin, Will, Bremerton City Councilmember  
Quade, Kathryn, Mayor, City of Poulsbo

*Board of Commissioners Absent:*

Angel, Jan, Kitsap County Commissioner  
Bozeman, Cary, Mayor, City of Bremerton

*Staff Present:*

Cartwright, Jeff, Human Resources Director  
Clark-Getzin, Wendy, Planning and Capital Programs Director  
Clauson, John, Service Development Director  
Gustafson, Ellen, *ACCESS* and Non-Routed Operations Director  
Hayes, Richard, M., Executive Director  
Knox-Browning, Cathie, Clerk of the Board  
Schooler, Maranda, Deputy Clerk  
Shinners, Paul, Finance Director  
Swanson, Colby, Vehicle and Facilities Maintenance Director  
Templeton, Ron, General Counsel

*Visitors Present:*

Janinne Broxton, Interpreter for Robert Roach  
Cole, Dave, Routed Operations Employer of the Quarter  
Dingfield, Joan, Marine Transportation Association of Kitsap  
Floyd, Robert, January *ACCESS* Driver of the Month  
Griffin, Grant, MTKA  
Hinds, Paul, *ACCESS* Operations Employer of the Quarter  
Homan, John, January Routed Driver of the Month  
Kincaid, Beverly, MTKA  
McClure, Mary, Kitsap Regional Coordinating Council  
Roberts, Mandi, OTAK  
Sawyer, Carla, MTKA & Progressions, Inc.  
Roach, Robert, KT Citizens Advisory Committee

1. **CALL TO ORDER:** Vice-Chairperson Brown called the meeting to order at 9:20 a.m.

2. **CHAIRPERSON'S COMMENTS / DISCUSSION:**

- a. Recognizing the Drivers of the Month for January 2008 in Routed and *ACCESS*
- b. Recognizing the Employees of the Quarter (4<sup>th</sup> Quarter 2008) for Routed and *ACCESS*

Ms. Gustafson introduced the *ACCESS* Driver of the Month, Robert Floyd. She said he has been with the agency since 2002 and that this is his third time as Driver of the Month. He has received many compliments on his safe, courteous and efficient driving, Ms. Gustafson said.

Mr. Floyd said that in his six years working for Kitsap Transit, the agency been there for him when he needed it. He said he appreciated this recognition.

Chairperson Brown said to keep up the great customer service, that board members know it is difficult working with customers who need extra attention. He said his hard work is appreciated.

Applause followed these remarks.

Ms. Gustafson then introduced Paul Hinds as the *ACCESS* Employee of the Quarter. Ms. Gustafson said Mr. Hinds became a scheduler/dispatcher for Kitsap Transit in 1995. He is very reliable, comes in when we need him, and knows the operations front-to-back. We are glad to have Mr. Hinds as a member of our team, she said.

Chairperson Brown thanked Mr. Hinds for attending and for his work.

The chair then called on Mr. Cartwright to introduce the Routed Driver of the Month.

Mr. Cartwright invited John Homan to the microphone, and said that this is the third time since Mr. Homan joined the agency in 1995 that he has been Driver of the Month. Mr. Homan was awarded a 12-year safe-driving pin in December, Mr. Cartwright said, adding that when he worked with Mr. Homan, he appreciated his calm, cool, collected, can-do attitude, especially when it snowed.

Mr. Homan said he tries to take the good with the bad and that he enjoys driving for Kitsap Transit.

Applause followed these remarks.

Mr. Cartwright then introduced the Routed Employee of the Quarter, Dave Cole. Mr. Cole has been with KT since 1985, started as a part time driver and is now an Operations Supervisor, Mr. Cartwright said. Mr. Cole was nominated for employee of the quarter for

his work on the tunnel project, as well as his extra effort and can-do attitude during the major flooding in December. Mr. Cartwright said Mr. Cole's hobby is buying and selling cars.

Mr. Cole said he has had an interesting career at the agency, starting in Port Orchard and now at the Bremerton Transportation Center. He said he has enjoying working with the ferry system as well as being involved in the construction on the SR 304 tunnel project.

### **3. CITIZENS' ADVISORY COMMITTEE ISSUES:**

Mr. Clauson said the committee expressed keen interest in the New Markets Tax Credits (NMTC) program and spent most of the February meeting discussing what they described as a very complex issue. He said the group decided the issue was complex enough that it did not wish to take a position until members had had more time to study the NMTC proposal. Mr. Clauson said the committee did take a position on the process Kitsap Transit is using to determine the merits of the proposal and said that it was beneficial and should be continued.

### **4. CONSENT / ACTION ITEMS:**

a. *Approval of MINUTES of January 15, 2008 Board Meeting*

b. *Approval of KITSAP TRANSIT VOUCHERS for January, 2008*

*Voucher numbers 1634 to 2140 issued by Kitsap Transit from January 1, 2008 through January 31, 2008 in the total amount of \$2,841,309.39, payroll transfers from January 1, 2008 through January 31, 2008 in the amount of \$1,397,855.31, transfers for debt service obligations from January 1, 2008 through January 31, 2008 in the amount of \$45,968.10 and Automatic Clearing House transfers from January 1, 2008 through January 31, 2008 in the amount of \$2,750.00.*

c. *RESOLUTION 08-04 re-appointing members to the Kitsap Transit Citizens Advisory Committee*

**Commissioner Maupin moved to approve the consent agenda and Commissioner Brockus seconded the motion. Chairperson Brown called for those in favor of the motion to accept the consent agenda. All voted yes. Chairperson Brown called for those opposed to the motion. There were none. He called for abstentions. There were none.**

### **5. PUBLIC COMMENT on Discussion Items**

Chairperson Brown consulted the list of those who had signed up for public comment and invited Ms. Porter to the microphone.

Ms. Porter said she would be a transit rider except she is unable to use the buses for both ends of her commute, as they do not run late enough in the evening. She said that when she first moved to Kitsap County, she was told that transit existed to transport commuters to the ferry, and she said KT does an excellent job of that. She said her problem is that she works 12-hour shifts and there is no bus service in her area after 8pm. Ms. Porter proposed limited bus service to meet the next ferry, and said it would be helpful if the bus just stopped at the park and ride lots at Agate Pass and Day Road and then traveled into Poulsbo. She said she rides the ferry with lot of other people that all have the same problem and that she has noticed more people are taking taxis and paying for parking rather than taking the bus. Ms. Porter said she had circulated a petition among those who might ride the bus that showed most would ride at least occasionally and others up to five times a week

Mr. Hayes said KT staff will ride the buses in this area and talk to riders about this idea. He also said that the riders Ms. Porter cited might indeed be better candidates for vanpools but that the important first step is to find out where these they are going.

Chairperson Brown called for additional public comment.

Ms. Dingfield identified herself as an officer on the Board of Directors of the Marine Transportation Association of Kitsap (MTAK) and a daily commuter on the Bremerton-Seattle ferry run. Ms. Dingfield first thanked the Board for its vision and continued support of POF from Kitsap to Seattle and she said she wanted to address the board today to support the research in Rich Passage and the development of a new fast ferry. She cited a survey MTAK conducted among county residents in 2006 and said that showed 90% recognized the importance of direct fast ferry service, 68% of long-term residents supported local control of POF service and that 59% supported a three-tenths of cent sales tax to support POF. Ms. Dingfield said she believed those figures would likely be larger today. She then said she believed the last sales tax election failed primarily because the public was not sufficiently educated in the purpose of a transit district or of the POF proposal itself. She also said there was a lot of skepticism about the ability of KT to successfully operate low-wake fast service. She said MTAK continues to support wake research, and she noted that Bremerton will be hosting a wake research conference in 2009. In the ongoing effort to bring POF service to Kitsap, she said MTAK is willing to partner with KT and that MTAK, with the construction of the Bremerton Transportation Center, has a proven track record of success. Ms. Dingfield said the MTAK board has already formally expressed its strong interest in the New Markets Tax Credit proposal and she encouraged the Transit Board to both support the NMTC proposal and to tell residents that they support this to further wake research, which is an important step in realizing POF for the county.

Chairperson Brown called for additional public comment. There was none.

## **6. EXECUTIVE SESSION:** Property, personnel and pending litigation

At 9:35 a.m., Chairperson Brown announced the board would go into Executive Session for

ten minutes for the purpose of discussing property, personnel and pending litigation. The board returned to open session at 9:45 a.m.

## **7. FULL DISCUSSION / ACTION ITEM:**

Mr. Hayes said the first four resolutions only appear under full discussion because of the amount of money involved. He noted that the agency's purchasing policy requires any purchase greater than \$25,000 to receive board approval. He suggested staff could amend the policy to allow budgeted items of any amount to appear on the consent portion of the agenda.

- a. *RESOLUTION 08-05 authorizing Kitsap Transit staff to award the bid for the provision of uniform services to Aramark Uniform Services*

**Commissioner Kordonowy moved to approve Resolution 08-05 and Commissioner Coppola seconded the motion. Chairperson Brown called for those in favor. All voted yes. Chairperson Brown called for those opposed to the motion. There were none. He called for abstentions. There were none.**

- b. *RESOLUTION 08-06 authorizing Kitsap Transit staff to purchase a new Vehicle Maintenance service truck through the Washington State Procurement Office and its contractor, Columbia Ford of Longview, Washington*

**Commissioner Kordonowy moved to approve Resolution 08-06 and Commissioner Coppola seconded the motion. Chairperson Brown called for those in favor. All voted yes. Chairperson Brown called for those opposed to the motion. There were none. He called for abstentions. There were none.**

- c. *RESOLUTION 08-07 authorizing Kitsap Transit staff to purchase four new staff relief vehicles through the Washington State Procurement Office and its contractor, Ford of Kirkland of Kirkland, Washington*

In explaining why these are basic Ford vehicles, Mr. Hayes said that KT would normally purchases hybrid vehicles for staff cars but while it waits for the next generation of plug-in hybrids to come on the market, some replacement vehicles are needed.

**Commissioner Brockus moved to approve Resolution 08-07 and Commissioner Bauer seconded the motion.**

Commissioner Quade asked how staff relief vehicles are used.

Mr. Hayes explained that during the work-day, KT needs to relieve drivers who are already out on the road, so these vehicles are driven by the relief operators to transfer

centers for example and then driven back to the main base by the operator who was relieved.

**Chairperson Brown called for those in favor of the motion. All voted yes. Chairperson Brown called for those opposed to the motion. There were none. He called for abstentions. There were none.**

*d. RESOLUTION 08-08 authorizing Kitsap Transit staff to extend the annual software maintenance agreement with the Trapeze Group for one additional year*

Mr. Hayes said this is a standard software maintenance arrangement for ACCESS operations.

**Commissioner Bauer moved to approve Resolution 08-08 and Commissioner Quade seconded the motion.**

Commissioner Quade asked if this is a yearly addition to the contract.

Mr. Hayes said that this is an annual requirement of a multi-year contract.

**Chairperson Brown called for those in favor. All voted yes. Chairperson Brown called for those opposed to motion. There were none. He called for abstentions. There were none.**

Chairperson Brown asked if the threshold for bringing purchases to the board would be raised to \$50,000?

Mr. Hayes said the threshold would have needed to be \$100,000 for some of the business the board just handled, but that \$50,000 would make a good starting point.

*e. RESOLUTION 08-09 amending the parking citation rate structure to allow for an increase in citation amounts*

Mr. Clauson said KT enforces parking rules and issues tickets at two lots; Annapolis and Harborside. People have discovered the sporadic level of enforcement and have become willing to take a chance on getting a ticket because KT tickets are only \$10, which is less than the cost of all-day downtown Bremerton parking. He said that this resolution would bring KT ticket prices in line with those of other jurisdictions and that this change is an attempt to make people less likely to take advantage of KT's parking violation rates.

**Commissioner Quade moved to approve Resolution 08-09 and Commissioner Coppola seconded the motion.**

Commissioner Brockus said he believes it is bad precedent for KT to change its parking

violation rates just so that it can claim to be as mean as the next jurisdiction. He also said that as a person who parks in downtown Bremerton, the parking zones at Harborside are confusing. Commissioner Brockus then offered an amendment to the resolution that the basic citation amount increase from \$10 to \$20 rather than to \$25.

Chairperson Brown called for other questions. He then asked about the \$50 fine for unauthorized use of carpool/vanpool parking. Mr. Clauson said the fine is currently \$20 and that because these are the premium spots in KT lots, the agency needs to make sure those stalls are always available to smart commuters.

**Chairperson Brown called for a second for the motion under consideration. There was none and so the motion failed for lack of a second.**

Chairperson Brown called for consideration of the original motion.

Commissioner Maupin said he did not believe there was much of a difference in the basic fine being \$20 or \$25 but he said there is a parking problem in Bremerton. He said residents complain that when they go downtown to do business with local firms, they get parking tickets and that causes them to be reluctant to return downtown. He said he agreed with Commissioner Brockus that being as mean as other jurisdictions not our goal.

Commissioner Brockus said the City of Bremerton does have a parking committee, which is looking at downtown parking issues and which hopes to come up with a plan for a friendlier downtown.

Commissioner Quade said the City of Poulsbo had the same discussion about following the lead of other jurisdictions and that the conclusion in Poulsbo was that \$10 to \$20 is a reasonable price to pay for parking. She said this is not a question of being mean but rather of helping people to realize that there are consequences to their actions. She said she supported the increase in the basic citation amount to \$25.

Commissioner Maupin said he understands the shipyard is planning to close more of its internal parking lots, which will further worsen the parking problem in downtown Bremerton.

Commissioner Kordonowy said she hopes KT does all it can, as more parking is closed, to transport these people. She said the parking fines serve to remind people that SOVS are costly to individuals, cities and the environment.

Mr. Hayes said KT is on top of that and asked Mr. Clauson to elaborate.

Mr. Clauson said the shipyard's normal approach would be to establish remote park and lots and establish shuttles and that KT is using this as a way to bring on new long-term riders.

**Commissioner Coppola offered another amendment; that the basic parking citation**

**be \$22.50. Commissioner Brockus seconded the amendment.**

**Chairperson Brown called for those in favor of the amendment. Commissioner Brockus voted yes. Commissioners Bauer, Brown, Coppola, Kordonowy, Maupin and Quade voted no.**

**Chairperson Brown then called for those in favor of the original motion. Commissioners Bauer, Brown, Coppola, Kordonowy, Maupin and Quade voted yes. Chairperson Brown called for those opposed to the original motion. Mr. Brockus voted no. Chairperson Brown called for abstentions. There were none.**

*f. RESOLUTION 08-10 authorizing Kitsap Transit staff and counsel to proceed with implementing a new markets tax credit program in the amount of approximately six million dollars for the purpose of securing two passenger ferries and related facility improvements*

Mr. Hayes said the issues involved here have been discussed at length previously but that he wanted to point out one more wrinkle that is not part of the resolution in front of the board today. He noted that there is still work to do on a number of legal and borrowing issues and asked Mr. Templeton to explain.

Mr. Templeton said some board members might be concerned about today's resolution as an example of putting the cart before the horse as we do not have answers to all of the questions yet. While there remain some outstanding legal issues, he said KT is asking for board action on this today as the Kitsap County Consolidated Housing Authority (KCCHA) needs a request from this board to go to the next step and start formulating the documents that NMTC, MTAK and KT attorneys can then review. Mr. Templeton acknowledged this is a unique transaction without much precedent and which requires some detailed work.

The new wrinkle Mr. Hayes mentioned, and which is not articulated in this resolution, is that KCCHA wants a \$75,000 non-refundable deposit, Mr. Templeton said. He said that would come from KT as MTAK does not have any funds of its own.

Commissioner Kordonowy asked if that \$75,000 is part of the housing authority's fee?

Mr. Templeton said it is part of the \$280,000 in hard transaction costs, and if this transaction goes through, that would be built into the deal.

Commissioner Brockus at this point said he had asked Mr. Templeton to render an opinion on whether his (Brockus/) regular, full-time employment as a facilities engineer for Art Anderson & Associates would present a conflict of interest in this project, and he asked Mr. Templeton to state his response to that for the record.

Mr. Templeton said he advised Mr. Brockus that he did not believe there was any conflict

of interest as the funds derived this transaction would in no way benefit Art Anderson & Associates.

Commissioner Quade stated that she might not totally understand how NMTC works but that she understands what Kitsap Transit is trying to do. We have seen the state Legislature acknowledge that we have a problem, but they have not figured out how to fix it. She said she sees this is a method to move forward when no one else has stepped up to this task. Commissioner Quade asked if there are NMTC funds that need to be used by a certain date and if that is why the board needs to act quickly.

Mr. Templeton said that is what KT is hearing from KCCHA and is why KT needs this board to act quickly.

Commissioner Quade said that while she does not completely understand all of the ramifications of NMTC, she does see it as the path to the future and supports this resolution.

Chairperson Brown said he attended a two-day conference to learn about NMTC and while he still has questions about the program, he is confident that Kitsap Transit has some of the best people in the country working to put together a deal. He said he recognizes that KT board members also wear different hats in reference to their city and county positions and that he wanted to thank board members for being able to separate KT issues from KCCHA issues and being diligent in notifying every one of any potential concerns and issues.

Mr. Hayes then introduced Ms. Sawyer to discuss the figures for the proposal in more detail.

Ms. Sawyer said that she has been working with Kitsap Transit, as MTAK's board coordinator, to help understand how funds may be assembled to facilitate the NMTC proposal. She said the FTA does not have a current mechanism to front-end load grant funds for the project but that FTA officials endorsed the NMTC concept and noted it is used by other agencies who are federal funds recipients. Ms. Sawyer said the FTA suggested some alternatives, including what are called GARVEE bonds or Grant Anticipation Revenue Vehicle Bonds. She said these have been used in Alaska and Oregon but not yet in Washington State and that she has discovered the lead-time for GARVEE bonds is longer than any of us have for this project. The other FTA suggestion was that KT borrow the funds, and then, if KT can demonstrate continuing control of the assets (which she said all parties believe can be done through the various legal agreements between MTAK and KT) KT could then draw down on those borrowed funds as the construction payments are made on the vessel or vessel purchase.

In the event KT chooses to borrow the funds, Ms. Sawyer said she has worked up the worst-case scenario in which KT would have to borrow separately for this project. She said that would happen if KT's cash reserves are not sufficient to cover the front-end load, the TDP does not project any future room to use local funds as part of this

borrowing and the agency's current line of credit did not allow for this borrowing. Under this scenario there would be an assumed vessel purchase price of \$3.5 million, \$2.5 million would be covered by bonds and then a fully loaded borrowing rate of 4.5%. Ms. Sawyer said KT could invest the funds it had, while waiting to pay them out, at somewhere around 3.5%. She said she also worked up the numbers if there were another half point spread between borrowing and the KT loan. The last assumption is using the payment schedule that All American Marine shipyard suggested on how the bonds would be paid. Under this scenario, she said MTAK believes the bonds could be paid down in about 10 months, would cost about \$64,000 in fees and would earn about \$54,000 in interest. She noted that technically MTAK would earn the interest and would accrue it to KT at end of the project. The net cost for the separate borrowing would be about \$14,000 to KT, she said. Alternatively, Ms. Sawyer said if KT had to pay a little more for the money and did not earn quite as much in investments, the net costs was about \$21,000. Therefore, it would cost KT between \$14,000 and \$21,000 net, to borrow the funds up front.

Mr. Hayes said the interest rate estimated here is quite conservative. He noted that if such a borrowing could be accomplished under KT's \$2 million line of credit, the interest rate would be lower; at three percent.

Commissioner Kordonowy asked if it was a problem for KT to borrow money and then invest it.

Mr. Hayes said that is only a problem if a profit is made, which he said is unlikely here. Otherwise, such borrowing is quite normal.

**Commissioner Maupin moved to approve Resolution 08-10 and Commissioner Brockus seconded the motion.**

Commissioner Bauer said he wanted to make it clear that he continues to be opposed to using NMTC for this purpose and that he believes KT should focus only on funding the low wake boat; the mission-critical piece. He said he understands that this provides some benefit to the Housing Authority and that he would not oppose the resolution. He said he would abstain from voting on it.

Commissioner Coppola said he had been opposed to this from the beginning and is not certain wake research is KT's core mission. However, he said he does not see any one else stepping up to do it. Commissioner Coppola said he is a great believer in the POF concept and knows it is critical for economic development, and that therefore he would not oppose the motion.

Commissioner Kordonowy said she will be voting in favor of the motion, although she has questions akin to those articulated by Commissioner Quade. Commissioner Kordonowy said NMTC is a complicated funding mechanism to understand, that she has learned more with each discussion and recognizes there is still more to learn. She said she believed that one of the benefits of this program is that it is being funded through

local organizations and will benefit a local organization. She also said that while she has appreciated and supported the years of work KT has done on POF, she believes it is standard transit operations that make a difference in peoples' lives. Commissioner Kordonowy said she does not want to see current services diminish, is confident they will not and is in support of this project.

Commissioner Maupin said that the goal is good ferry service for all of Kitsap County and especially Bremerton. He said he hopes that we are moving toward a plan for future ferry service that includes a mixture of car ferries and POFs as well as good mechanisms to fund both services. Commissioner Maupin said the problem he sees is that the term 'wake research' is not a good characterization of what KT is doing, which is trying to develop POF service. To do that, KT needs to finish an environmental impact statement. We are funding POF service and that is how we should look at it, he said.

Commissioner Brockus said he wanted to echo Commissioner Maupin's comments and he noted that the NMTC proposal includes improvements to the local foot ferry service between Bremerton and Port Orchard. He said his constituents tell him they do not have confidence in WSF and that he hopes the new WSF director will help to change that. There need to be alternatives and I hope this will help bring that to workers in Bremerton and Seattle, he said.

Commissioner Coppola said it is his belief that NMTC funds are primarily meant for economic development, and that he sees this as a bit of stretch to fit into that category. He said he is concerned about setting a precedent for funding other things that don't qualify for NMTC any better than this does. Commissioner Coppola said he would rather see the money spent in the future on redeveloping downtown than on such dubious projects.

Chairperson Brown said it was his belief that the lack of strong ferry service in Bremerton, Kingston and Bainbridge Island is an economic issue.

Commissioner Coppola said that he agreed, but that ferry systems are not KT's business.

Chairperson Brown said that while he agreed ferries should be a state responsibility, what KT is looking at today is completing research and an EIS. Kitsap County has the most difficult wake wash issue in all of Puget Sound in Rich Passage and once this work is complete, we can convince ferry riders and residents that high-speed boats will not erode the beaches. He said he believes KT is in a strong position to develop a long-term ferries solution. This is not a directive to KT to make a third try at sales taxes for POF, he said. Rather, this work will help to create partnerships with King County and WSF and provide some alternatives to the underutilized late car-ferry runs on the Bremerton schedule. With such partnerships, KT could allow the use of its POF on runs where WSF is losing money and we should focus on these partnerships, he said. Chairperson Brown noted KT has federal support from U.S. Rep. Norm Dicks and U.S. Senator Patty Murray and not state support. He said it is federal leaders providing the resources and local leaders pushing to solve these problems.

Commissioner Maupin said that we need to remember what kind of economic development occurred when the Chinook and Snohomish were making 30-minute trips between Bremerton and Seattle. Downtown Bremerton was dead, yet the attitude was completely different, business was growing and people were moving here. The state is not in the business of POF. The state's job is running car ferries since it is part of the highway system. Commissioner Maupin said he believed one of the obstacles in earlier POF sales tax efforts was that voters continued to assume the state would provide POF service. He said such service is the province of a local transit agency, like Kitsap Transit or King County Metro. Commissioner Maupin said he supported the idea, to reduce the cost of ferry service, to run POF during the low ridership times of the day and possibly partner with the state to contract with transit to provide those runs.

Commissioner Kordonowy said that residents all over the county have lost trust and faith in the ferry system due to the recent problems with cracked hulls and such. She said the residents on Bainbridge Island wonder when this will happen to one of their ferries and are concerned about how quickly WSF could react. This is not a band-aid that can happen quickly. Someone has to do it and partnerships are a way it can happen. We have already demonstrated that we cannot do it alone and WSF has shown that as well, she said.

Commissioner Coppola called the question.

**Chairperson Brown called for those in favor of the motion. Commissioners Brown, Brockus, Kordonowy, Maupin and Quade voted yes. Chairperson Brown called for those opposed to the amendment to the motion. There were none. He called for abstentions. Commissioners Bauer and Coppola abstained.**

Commissioner Quade asked about hydrofoil ferries, referring to a question she had forwarded to KT the other day.

Mr. Hayes said that the hovercraft proposal mentioned was an Alaskan vessel designed as an icebreaker, and that while it was very fast, it was not fuel-efficient. He said KT continues to look at developing hovercraft and pure hydrofoil boats all the time.

Mr. Hayes said he wanted to make a few final comments on this topic. He said the state has always been willing to provide toll credits for research. He also said the POF plan as it exists now is outdated and will be rewritten when the research is complete. Mr. Hayes said the work to get the boat, to test it and the economic assumptions as well as the idea of partnerships will be included in the TDP the board will look at next month.

## **8. PROGRESS REPORTS:**

- a. Draft Financial Reports – December, 2007
- b. Monthly Cash Flow and Cash Position Report – December, 2007 (*new*)

- c. Ridership Reports – December, 2007
- d. Fuel Costs Report through the end of January, 2008

Mr. Hayes said there will be a more in-depth discussion of ridership in March. In terms of fuel costs, he said the \$2.70 a gallon in the budget has looked high, low and on-target so far this year. Finally, he said the financial situation at the end of 2007 was a bit better than we had projected earlier.

## **9. STAFF INFORMATION / DISCUSSION ITEMS:**

- a. The 2007-2013 Transit Development Plan public hearing will be held at the March Transit Board meeting.
- b. Return to the use of the Program, Budget and Personnel subcommittee of the Board, last used in 2002 (See Attachment A)

Mr. Hayes said this topic could be discussed later, due to time constraints.

- c. Lawsuit update: Sundance vessel may be a possibility again with an engine condition review leading to an appraisal

Mr. Hayes said this was covered in the Executive Session earlier.

- d. Bus Service Plan/Budget Issues

Mr. Hayes said we will look at this more at the next meeting.

- e. Report on the Feb. 7 Small Electric Bus Initiative Kick-Off Workshop (See Attachment B)

Mr. Hayes said that there were 13 agencies in attendance. He said the consortium's plan is to first request federal funds and then ask the state to match those. He said that, along with the contributions from the participants in this meeting, would comprise the funding for this project and that it may work best to manage these research funds by having the funding pass through Western Washington University. In terms of upcoming activities, Mr. Hayes said the next steps include defining the nature of the partnerships with all the interested agencies and WWU.

Commissioner Bauer said he wanted to commend Mr. Hayes and KT staff for their work on this project and that this partnership is an excellent idea.

- f. SR305 Corridor Vision Executive Summary (See Attachment C)

Mr. Hayes invited Ms. Roberts from OTAK to speak.

Ms. Roberts, who identified herself as a principal at OTAK, said that the partnerships between Kitsap Transit and the cities of Poulsbo, Bainbridge Island, Suquamish Tribe, and Kitsap County were most likely the most important outcomes of the study. She said this is a very long-range vision plan looking at a 30- to 50- year period. Ms. Roberts said the project included extensive public involvement and that one of the important outcomes of that was the validation of the need for transit in the corridor, noting the project received broad support in all affected communities to expand the transit network locally and along SR305. She noted that KT has been pursuing funding and has received an FTA grant to continue the study, and she said the next phase of work will relate to technical analysis of transit and traffic operations that were identified in the study.

**10. FOR THE GOOD OF THE ORDER:** There were none.

**11. OTHER PUBLIC COMMENT:** Chairperson Brown called for other public comment.  
There was none.

**12. ADJOURN** At 10:33 a.m., Chairperson Brown adjourned the meeting.

ADOPTED by the Board of Commissioners of Kitsap Transit at a regular meeting thereof, held on the 18<sup>th</sup> day of March 2008.

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Josh Brown, Chair

ATTEST:

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Cathie Knox-Browning  
Clerk of the Board