



Members of the Board

Charlene Haught Johnson, Chair
Anthony J. Intintoli, Jr., Vice Chair
Gerald Bellows
Beverly Johnson
John O'Rourke

**MEETING AGENDA FOR THE WETA
BOARD OF DIRECTORS**

Thursday, October 2, 2008, 1:00 P.M. to 4:00 P.M.
**San Francisco Bay Area Water
Emergency Transportation Authority**
Pier 9, Suite 111
San Francisco

A supplemental materials packet is available for download at www.watertransit.org.

AGENDA

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please contact the Board Secretary at least five (5) working days prior to the meeting to ensure availability.

PUBLIC COMMENT The Water Emergency Transportation Authority welcomes comments from the public. Speakers' cards and a sign-up sheet are available. Please forward completed speaker cards to the Board Secretary.

Non-Agenda Items: A 15 minute period of public comment for non-agenda items will be held at the end of the meeting. Please indicate on your speaker card that you wish to speak on a non-agenda item. No action can be taken on any matter raised during the public comment period. Speakers will be allotted no more than three (3) minutes to speak and will be heard in the order of sign-up.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item and will be allotted no more than three (3) minutes to speak. You are encouraged to submit public comments in writing to be distributed to all Directors.

- | | |
|--|---------------------------|
| 1. <u>CALL TO ORDER – BOARD CHAIR</u> | <i>Information</i> |
| 2. <u>ROLL CALL/PLEDGE OF ALLEGIANCE</u> | <i>Information</i> |
| 3. <u>REPORT OF BOARD CHAIR</u> | <i>Information</i> |
| 4. <u>REPORTS OF DIRECTORS</u> | <i>Information</i> |

**Water Emergency Transportation Authority
October 2, 2008 Meeting of the Board of Directors**

5. REPORTS OF STAFF **Information**
a. Executive Director's Report
b. Legislative Report - State
6. CONSENT CALENDAR **Action**
a. Minutes of September 17, 2008
7. APPROVAL OF SPARE VESSEL UTILIZATION PLAN AND
AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE
ASSOCIATED AGREEMENTS **Action**
8. AUTHORIZE FILING AN APPLICATION WITH THE
METROPOLITAN TRANSPORTATION COMMISSION FOR
\$750,000 FY 2008/09 REGIONAL MEASURE 2 OPERATING
FUNDS TO SUPPORT SPARE VESSELS PROGRAM **Action**
9. AUTHORIZE FILING AN APPLICATION WITH THE
METROPOLITAN TRANSPORTATION COMMISSION FOR
\$600,000 FY 2008/09 REGIONAL MEASURE 2 OPERATING
FUNDS TO SUPPORT TRANSITION EXPENSES **Action**
10. RECESS INTO CLOSED SESSION
a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**
Property: San Mateo County Harbor District, South San
Francisco Small Boat Harbor **To Be Determined**
Agency Negotiators: Jon Stanley, Nina Rannells and John
Sindzinski, San Francisco Bay Area Water Emergency
Transportation Authority
Negotiating Parties: San Mateo County Harbor District
Under Negotiation: Terms and conditions to the cooperative
agreement/lease with the San Mateo County Harbor District for
the South San Francisco service
11. REPORT OF ACTIVITY IN CLOSED SESSION **Action**
Chair will report any action taken in closed session that is subject **To Be Determined**
to reporting at this time. Action may be taken on matters
discussed in closed session.
12. OPEN TIME FOR PUBLIC COMMENT FOR ITEMS NOT ON THE
AGENDA

ADJOURNMENT

Water Emergency Transportation Authority (WETA) meetings are wheelchair accessible. Upon request WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. Please send a written request to email@watertransit.org or call (415) 291-3377 at least five (5) days before the meeting. Under Cal. Gov't. Code sec. 84308, Directors are reminded that they must disclose on the record of the proceeding any contributions received from any party or participant in the proceeding in the amount of more than \$250 within the preceding 12 months. Further, no Director shall make, participate in making, or in any way attempt to influence the decision in the proceeding if the Director has willfully or knowingly received a contribution in an amount of more than \$250 within the preceding 12 months from a party or such party's agent, or from any participant or his or her agent, provided, however, that the Director knows or has reason to know that the participant has a financial interest in the decision. For further information, Directors are referred to Gov't. Code sec. 84308 and to applicable regulations.

To: Members of the WETA Board

From: Barry Broad
Shane Gusman
Libby Sanchez

Date: September 23, 2008

Re: Legislative Report

State Budget

As you all know, after being a record 80 days late, the Legislature passed and sent to the Governor a budget that he just signed. Essentially, the budget rolls over until next year the approximately \$15 billion deficit (out of an approximately \$100 billion total budget). Therefore, the negotiations for next year's budget (which start once again on December 1, when the Governor's proposed 2009 budget will be unveiled), promises to be even more difficult than this year's.

The Republicans prevailed on their pledge not to vote for any budget that included tax or fee increases, staunchly resisting pressure from the Governor and Legislative Democrats to agree to a temporary sales tax increase to close the budget deficit. Even much of the business community went along with a temporary sales tax increase. While the Republicans conceded that the budget could not be balanced through cuts alone, their solution was simply to borrow the money.

Certain changes in the budget require voter approval and the Governor will call a special election in March of 2009 to consider those changes. The Democrats have promised to take on what they view as source of the problem (or at least the political source of the problem), namely California's 2/3rd vote requirement for passage of a budget, and have promised to place budget reform proposals before the voters on the special election ballot.

In the course of crafting the budget, one of the biggest losers was the public transit funding. As a result of increasing gas prices, money has flowed into the coffers of public transit funding. This potential source of increased funding is welcome to the public transit industry, which is experiencing record growth in ridership. Nevertheless, for the second year in a row, the Legislature took nearly all of the money above the funding levels for last year. Here, again, there are threats to take this issue the voters to preserve public transit funding. While this redirection of funds does not affect the WETA, which is not dependant on State Transit Assistance, it does suggest that the Legislature and Governor do not hold public transit in particularly high regard.

The area of the budget with the largest impact on WETA is the funding of Proposition 1B. I am pleased to report that Proposition 1B was fully funded in the Budget (\$3.6 billion). This includes the following of the following programs:

- \$1.5 billion for the Corridor Mobility Improvement Account (CMIA)
- \$996 million for the State Transportation Improvement Program (STIP)
- \$417 million for the Trade Corridors Improvement Fund (TCIF)
- \$214 million for the State Highway Operations Protection and Preservation (SHOPP) Program
- \$200 million for the State Local Partnership Program(SLPP)
- \$103 million for State Route 99

Most importantly, \$100 million was appropriated again for transit safety, security, and disaster response. WETA will be eligible for 25% of that money for capital expenditures under the same formula as last year's SB 88.

The budget also included, as part of an economic stimulus package, \$250 million in Proposition 1B funding for local streets and roads; of this amount \$187 million is directed to cities and \$63 million is directed to counties.

We have also been invited by Senate staff to prepare requests for new or expanded projects for funding in the next budget cycle.

Legislation

As of this writing, the Governor is in possession of all bills that were passed at the end of the legislative session, but has not acted on them yet. As part of the budget fight, the Governor had promised not to sign any bills until the budget was passed and so the Legislature held the bills pending resolution of the budget. He has until September 30, 2008 to sign, veto, or let bills become law without his signature.

SB 1093 (Wiggins)

The bill that most directly affects WETA this legislative session is SB 1093 by Senator Pat Wiggins. The bill made its way successfully through the Legislature and is currently awaiting action by the Governor. The measure was crafted to provide some clarification and "clean-up" to provisions enacted by last year's SB 976 by Senator Tom Torlakson. You will recall that SB 976 transformed the Bay Area Water Transportation Authority into WETA. However, SB 976 left some open issues which will hopefully be resolved by Senator Wiggins' measure.

Some of the things that SB 1093 does include: (1) extending the date by which WETA is required to adopt a transition plan by 6 months; (2) requiring the transition plan, to the extent it includes changes to water transportation services or related facilities historically provided by the City of Vallejo or the City of Alameda, to be consistent with that city's general plan, its redevelopment plans, and its development and disposition agreements for projects related to the provision of water transportation services; (3) requiring WETA to establish a process for taking public input on the transition plan; (4) requiring WETA to establish a process for notice and

public input when fare or rate changes are proposed; (5) requiring WETA to maintain transferred ferry service for a minimum period of time; (6) specifying that RM 2 funds remain with Alameda and Vallejo until the transition plan is adopted; and (7) authorizing WETA to use RM 2 funds up to \$600,000 (and potentially more), for transition costs of ferry services from local entities.

We worked closely with Senator Wiggins' office and interested parties in crafting amendments to SB 1093 that made the bill more palatable for Alameda and Vallejo and provided some much needed additional funding for transition costs.

Next Year

Senator Don Perata, who is term limited and is leaving office at the end of the year, has been replaced as President Pro Tem of the Senate by Senator Darrell Steinberg, (D) Sacramento. In losing Senator Perata, the WETA has lost a major champion in the Legislature. In addition, there is new leadership in the State Assembly, with Assembly Member Karen Bass, (D) Los Angeles, replacing Fabian Nunez.

Our first priority will be to educate the new leadership of both Houses of the Legislature and to meet with members of the Bay Area delegation to give them a detailed understanding of the direction we are moving.

Next year, as mentioned above, the budget crisis will only deepen, with this year's budget deficit rolled over until next year and the economy worsening. We will undoubtedly be in a defensive mode, trying to make sure that none of the funds we depend on are subject to a "raid" by a Legislature desperate for funds.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(September 17, 2008)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the WETA offices at Pier 9, San Francisco, CA.

1. ROLL CALL AND CALL TO ORDER

Chair Charlene Haught Johnson called the meeting to order at 1:15 p.m. Directors present were Chair Johnson, Vice Chair Anthony Intintoli and Director O'Rourke. Vice Chair Intintoli led the Pledge of Allegiance. Director Beverly Johnson arrived at 1:25 p.m. and Director Bellows arrived at 1:35 p.m.

2. REPORT OF BOARD CHAIR

Chair Johnson noted that WETA counsel Stanley Taylor was recuperating from surgery and wished him a speedy recovery. She reported that the August 29th Board Retreat had been successful and that she hoped another retreat would happen in the near future. She also noted that Board meetings would be held on a more regular schedule and after some discussion it was resolved that meetings would be held on the first Thursday of the month.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Jon Stanley noted that WETA had not received any updates from Sacramento regarding SB1093 but that there had been no indication that the budget bill awaiting signature by the Governor would adversely affect WETA.

Mr. Stanley reported that staff had met with BCDC regarding the South San Francisco terminal and that there had been a few remaining questions on the seismic design criteria that staff would respond to as soon as possible. He also reported that a staff meeting with SUASI went well and that it appeared that some funding would be available through SUASI to support WETA's Emergency Plan development.

Mr. Stanley also reminded the Board that the next WETA Community Advisory Committee meeting was scheduled for October 29 and that the last Lunch for the Office Bunch promotion of the year would be held on Friday, September 19th.

5. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar which included the minutes from the August 21 and 29, 2008 Board of Directors meetings and an agreement with Caltrans. Chair Johnson seconded the motion and the item carried unanimously.

6. REPORTS OF STAFF

Mr. Stanley introduced Peter Friedmann and Kathy Beaubien from Lindsay, Hart, Neil & Weigler in Washington, DC who offered a Federal Legislative Report. Mr. Friedmann noted continuing efforts in building a national stakeholder coalition of operators, shipyards and maritime unions

for the coming Congress as well as building a coalition of Congressional supporters. He stated that WETA's takeover of the Alameda and Vallejo systems and evolution into an operator would change the dynamics of the ferry system. He also noted that new challenges such as retrofitting vessels to CARB requirements and terminal expansion in San Francisco have changed WETA's agenda.

Ms. Beaubien discussed the upcoming Transportation Authorization bill, specifically in regard to goals for continuing to increase the Ferry Boat Discretionary Fund and working with the Congressional coalition to include allocations specific to WETA as well as individual projects including the Berkeley terminal, the Vallejo maintenance facility and expansion of San Francisco docking facilities. Ms. Beaubien noted that they would be seeking funding opportunities for WETA's Emergency Response role but that is unlikely funds would be available in the Transportation bill and may need to be sought through other legislation. She added that funding for retrofitting vessels to meet CARB and ADA requirements may also not be available in the Transportation bill but that that they would continue to seek funding elsewhere.

Vice Chair Intintoli asked if the Transportation bill could be a source of operating funds. Ms. Beaubien replied that that was highly unlikely as the Transportation bill does not even provide sufficient maintenance funding for transit. Mr. Friedmann added that due to increased fuel costs transit agencies nationwide are in crisis and that the Transportation bill doesn't even begin to cover these operating costs. He added that focusing efforts on maximizing the Ferry Boat Discretionary Fund and allocations to WETA make sense because WETA will have more flexibility with those funds. He noted that WETA has strong advocates in the Congressional delegation including Congresswoman Jackie Speier, Congresswoman Barbara Lee, Senator Patty Murray and Speaker Nancy Pelosi and that WETA's project continues to be the largest opportunity for growth in maritime labor in the nation. Mr. Friedmann added that any opportunities WETA Board members can take to meet with members of the Congressional delegation when they are in the region would be helpful. He added that any opportunities to take them aboard the new vessels would be sure to leave an impression.

Public Comment:

Michael Bernick of the Milken Institute noted that he works with four of the cities where service is planned and asked how they could help. Mr. Friedmann said that any way the cities can engage members of the delegation would be welcomed. Chair Johnson said that finding sources of operational funding would be helpful. Mr. Bernick noted that this was a priority for several of the cities. Mr. Friedmann suggested that city representatives' participation in any events taking place with members of the Congressional delegation on the new boats would help show local support for the projects.

Public Comment:

Veronica Sanchez of Masters, Mates and Pilots and Marina Secchitano of IBU offered their continued support. Ms. Sanchez asked if alternative energy used to power terminals would make any funding available to WETA from the Energy bill. Mr. Friedmann replied that efforts continue to expand eligibility for ferry projects including sources of funding for alternative energies.

Director O'Rourke asked if board members could be provided with talking points. Mr. Stanley noted that staff was preparing a list of talking points and Mr. Friedmann added that he would assist in tailoring them as talking points would be slightly different for different members of the delegation.

7. AUTHORIZE THE METROPOLITAN TRANSPORTATION COMMISSION TO ALLOCATE AN ADDITIONAL \$1.9 MILLION REGIONAL MEASURE 2 FUNDS TO SUPPORT FY 2008/09 VALLEJO FERRY OPERATIONS

Deputy Director of Finance and Administration Nina Rannells presented this item to authorize MTC to allocate additional funding for Vallejo ferry operations. She gave an overview of the decline in Vallejo ridership that has been attributed to increased fares in the face of increased fuel costs. She noted that this was a one year action that would allow Vallejo to reduce fares starting in November.

Public Comment:

Gary Leach, Vallejo Public Works Director expressed thanks to Ms. Rannells and the WETA Board for working together on the allocation and invited members of the Board and staff to participate in a press conference announcing the allocation.

Chair Johnson asked if this would impact the Transition Plan. Ms. Rannells said it would not directly impact the plan but would give WETA a clearer picture regarding the sustainable level of service over time.

Director Johnson asked what else this money could be used for. Ms. Rannells noted that this RM2 funding could only be used for operations and that if it is not used it would be allocated by MTC to other projects. Director Johnson also asked if it would be sufficient for getting Vallejo ferry operations through the year. Ms. Rannells said that based on budget projections with fuel at \$4.50 a gallon it would be. Mr. Leach noted fuel costs were currently \$3.50 a gallon.

Vice Chair Intintoli pointed out that there were many refineries in the area and wondered if a larger ferry system under WETA would be able to negotiate lower fuel prices. Director Johnson and Ms. Secchitano both agreed that this was something to pursue.

Manager of Marine Engineering Mary Culnane noted that a few years ago, per a request by then-WETA Director Secchitano, she researched the idea of a Fuel Pool whereby WETA would seek a favorable fuel supply contract based on the annual “pooled” bunker consumption quantities of all of the interested Bay Area ferry operators. One refinery in the Bay Area was interested in pursuing this idea. Once WETA is actively operating this Fuel Pool initiative would be continued. Chair Johnson asked if hedging was an option and Ms. Culnane explained that WETA does not have the resources to participate in a hedging program (trading on the futures market.)

Director Johnson made a motion to approve the item. Director O'Rourke seconded the motion and the item carried unanimously.

8. APPROVAL OF SELECTION FOR THE TRANSITION PLAN CONSULTANT SERVICES CONTRACT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE THE AGREEMENT

Ms. Culnane presented this item regarding selection of a Transition Plan consultant. She reviewed the evaluation process and the recommendation of Arup for the contract.

Director Johnson asked if the selection panel all agreed on the Arup recommendation and Ms. Culnane replied that it was unanimous.

Public Comment:

Marina Secchitano of IBU asked when the plan would be completed and implemented.

Ms. Culnane noted that SB 1093 required completion by July 1st. Mr. Stanley further clarified that July 1st was the deadline for completing the plan itself, and that the plan would include implementation dates.

Chair Johnson asked if there would be any problem getting the plan done by July 1st. Ms. Culnane replied that July 1st was the required completion date and that it would be met. Director Johnson asked who would formally adopt the plan. Ms. Culnane replied that all parties involved would be part of the review process but that it will be WETA Board that adopts the plan. She further noted that WETA and Arup would be meeting on September 30th and would provide a more detailed schedule for the planning process.

Public Comment:

Veronica Sanchez of Masters, Mates and Pilots noted that a detailed schedule would be helpful in order to coordinate input on the plan from the public and stakeholders. Ms. Culnane said a schedule would be provided once available and that public meetings would start in January.

Director Bellows asked if Ms. Culnane felt the plan was under funded. Ms. Culnane clarified that funding was adequate for creating the plan as required. Vice Chair Intintoli asked if the cost might exceed the \$150,000.00. Ms. Rannells replied that \$150,000 is available to support the contract contemplated for award, but that a total of \$600,000 is available to support WETA, city staff and consultant work required to develop the plan.

Mr. Stanley reiterated that staff would bring a more detailed schedule for the Transition Plan when available. Director O'Rourke asked how the RFP had been released. Ms. Culnane replied that it had been released per the WETA Administrative Code including mass distribution to a list of consultants and publication on the WETA website.

Director Bellows made a motion to approve the item. Director Johnson seconded the motion and the item carried unanimously.

9. AUTHORIZE RELEASE OF A RFP FOR EMERGENCY WATER TRANSPORTATION SERVICE(S)

Manager of Operations Keith Stahnke presented this item regarding an RFP for Emergency Services contracts, noting that entering into such contracts before an actual emergency will provide WETA with helpful information about available vessels and save time in the event the vessels are needed. He noted that several operators had indicated that they would be receptive to the emergency services contracts.

Vice Chair Intintoli asked for examples of who these operators might be. Mr. Stahnke listed Blue & Gold, Red & White, Signature and Hornblower as interested parties that represent the bulk of available passenger vessels in the bay but noted the RFP would be available to all operators.

Public Comment:

Veronica Sanchez of Masters, Mates and Pilots requested that prevailing wage language be included in the RFPs in order to avoid the potential of outside operators undercutting local operators. Chair Johnson replied that WETA counsel Stanley Taylor had stated that sufficient language was already included. Danielle Gensch of Nossaman added that such language was included as statutory requirement for any public agency operating public service.

Public Comment:

Marina Secchitano of IBU suggested that the language should be added to completely spell out this requirement to avoid any doubt. Ms. Gensch agreed that for clarity the language could be included. Director O'Rourke added that penalties should also be listed directly in the contract. Mr. Stahnke stated that he would continue to work with Ms. Sanchez on clarifying the prevailing wage language.

Vice Chair Intintoli made a motion to approve the item. Director O'Rourke seconded the motion and the item carried unanimously.

10. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 2:55 p.m. Upon reopening of the meeting at 3:20 p.m. she reported that no action had been taken.

11. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:20 p.m.

Respectfully Submitted,

Board Secretary

MEMORANDUM

TO: Board Members

FROM: Mary Frances Culnane, Manager, Marine Engineering

SUBJECT: Approval of Spare Vessel Utilization Plan and Authorization for Executive Director to Execute the Associated Agreements

Recommendation

Approve by resolution the Spare Vessel Utilization Plan and authorize the Executive Director to execute the associated agreements.

Background

On 27 April 2006 the then WTA Board authorized a Spare Vessel construction contract with Nichols Brothers Boat Builders. At this juncture the intent was to place the Spare Vessels into the proposed South San Francisco service route until which time that the SSF vessels were approved for construction and subsequent placement into their specified route. As events transpired, the SSF service route implementation was delayed from 2008 to 2010. As a contingency, Staff prepared various scenarios for placement of the Spare Vessels. Since the vessels are 149 passenger, 25-knot boats, the transbay service routes provided the best options for utilization, followed by bareboat chartering the vessels to an interested operator, and ending with laying up the vessels.

Consequently, Staff began discussions with the City of Alameda, which has responsibility for the Alameda/Oakland Ferry Service (AOFS) and the Harbor Bay Ferry Service (HBFS) for the transbay placement option. Concurrently, Staff received Board approval on 15 May 2008 to release a bareboat charter RFP for the chartering option. Finally, Staff researched various berthing sites for possible vessel lay-up.

In preparation for potential costs associated with placement of vessels into existing services, or into a bareboat charter, or lay-up, Staff also began discussions with MTC to secure agreement on a process to access WETA's expansion RM2 funding to offset costs associated with any of the options in the Spare Vessel Utilization Plan.

Discussion

While negotiations are still on-going it appears that upon delivery *Gemini* will be placed into AOFS and *Pisces* into HBFS. Since *Gemini* will be delivered by December 2008 and the least amount of preparation, e.g., potentially only upgrade of ramping at the Clay Street Terminal, is required to place *Gemini* into AOFS, it was a logical first option. More preparation, e.g., dredging, float upgrades, ramping upgrades, and additional berthing are required to place *Pisces*, when she arrives in March 2009, into the HBFS; hence, use of the additional time to make this placement possible.

The instrument used to place the Spare Vessels into the City of Alameda's various ferry services is a Bareboat Charter which is simply an agreement used in the maritime industry, negotiated by WETA and the City of Alameda for leasing a boat.

As previously mentioned, Staff also released a bareboat charter RFP and received only one response. Therefore, as a contingency to placing a vessel into the AOFS, Staff could place *Gemini* into the RFP respondent's service. Again, the instrument used to place *Gemini* into this operator's service is a Bareboat Charter.

Finally, if we fail to realize the first two options, WETA may lay-up the vessels resulting in an unfavorable situation as the boats should not only be operated during their contractually provided and funded Warranty Period to insure all systems function properly; but, in the name of WETA, should be available for immediate emergency response which a lay-up situation does not adequately provide.

Therefore, Staff requests that the Board approve the Spare Vessel Utilization Plan and, by reference, authorize the Executive Director to execute the associated agreements for same.

Financial Implications

Not to exceed \$750,000 in FY 2008/09 to be funded with Regional Measure 2 funds.

Options

Revise the Spare Vessel Utilization Plan.

End

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Deputy Director of Finance & Administration

SUBJECT: Authorize Filing an Application with the Metropolitan Transportation Commission for \$750,000 FY 2008/09 Regional Measure 2 Operating Funds to Support the Spare Vessel Operating Program

Recommendation

Authorize filing an application with the Metropolitan Transportation Commission (MTC) for \$750,000 FY 2008/09 Regional Measure 2 (RM2) operating funds to support the Spare Vessels operating program in FY 2008/09.

Background

The Water Emergency Transportation Authority (WETA) is eligible to receive up to \$15.3 million RM2 operating funds annually to support ferry operating activities in FY 2008/09. \$4.6 million of these funds have been allocated to be used to support ongoing Vallejo operations, and the balance is yet unallocated.

Discussion

As discussed in the previous item, a spare vessel utilization plan has been developed that prioritizes providing the WETA spare vessels to the City of Alameda for use in their contract services with Blue and Gold and Harbor Bay Maritime, for the provision of Alameda/Oakland and Harbor Bay ferry services, respectively. Staff estimates that the FY 2008/09 cost associated with the start-up and operation of these vessels could be up to \$750,000 for such items as follows:

Vessel Compatibility/Facilities

- Harbor Bay Maintenance Dredging – A sounding of the Harbor Bay channel has been completed and maintenance dredging needs to be completed to allow for regular, safe passage of WETA vessels in this service (up to \$200,000).
- Float/Ramping Modifications – Operational modifications need to be made to Harbor Bay, Oakland and Alameda system floats and ramps to render these compatible with the WETA spare vessels (approximately \$250,000).
- Float Additions – Additional float capacity will need to be secured and provided for maintenance berthing and vessel lay-up for the Harbor Bay Service (lease at \$2,500 per float per month).

Incremental Service Expenses

- Harbor Bay Maintenance Augmentation – Maintenance crews and capabilities will need to be augmented for WETA vessels used in Harbor Bay service to ensure that the new WETA vessels are maintained to a minimum recommended standard (up to \$3,000 per month).
- Crew Training – Training will need to be provided to crews operating WETA vessels (approximately \$20,000).

- Urea Storage and Use – Urea is required for the exhaust emission reduction system. There will be an added cost for storage and use of this consumable (cost will vary depending upon engine hours of operation).
- Hull Insurance – The organization operating the vessel will be required to carry hull insurance. Recent quotes indicate that this could cost as much as \$40,000 to \$60,000 per vessel per year.

An additional benefit of preparing these facilities and services for use of WETA vessels is that they will be able to accommodate use of WETA and other similar vessels in the event of an emergency requiring vessel re-deployment.

In order to ensure that funds are available for these and other expenses that might arise, staff recommends requesting an allocation of up to \$750,000 Regional Measure 2 funds to support the Spare Vessels program in FY 2008/09. These funds would be provided by MTC on an as-needed basis.

Attachment 1 to this report contains the Authority's application for funds associated with this request, including the general application and required certifications and Board resolution. The Board resolution contains the following key items:

- Grants the Executive Director, or his designee, authority to execute the allocation request and transmit it to MTC;
- Assures MTC that there is no legal impediment for the authority to make this request and that there is no pending or threatened litigation;
- Commits the Authority to follow MTC's procedures for seeking allocation and reimbursement of funds; and
- Indemnifies MTC against any claims resulting from performance of services funded with this RM2 allocation. This language is consistent with language required of other grant agreements and does not shift any new risk to WETA.

Financial Implications

When the Board approved the FY 2008/09 budget and work plan in June, staff indicated that a specific program and associated costs related to the Spare Vessel fleet would be developed and brought forward at a later date. This item authorizes application and receipt of \$750,000 RM2 operating funds to support activities associated with the Spare Vessels program in FY 2008/09. As a part of this item, the FY 2008/09 WETA operating budget will be adjusted to reflect an increase in revenues and expenses in this amount.

Options

Approve or reject.

END

ATTACHMENT 1

Regional Measure 2 Operating Assistance Proposal Project Summary Page

Project Information

Project							
Title:		<input style="width: 95%;" type="text" value="WETA Spare Vessels Program"/>					
<i>Briefly describe service (provide map as attachment). Include information about markets being served (both travel demand as well as interoperator connections).</i>							
Brief Description:		This project provides funding to support the start-up and ongoing incremental operating expense associated with utilizing WETA spare vessels in existing regional ferry services.					
			Headways		Vehicles in service		Daily Rev
	Start Time	End Time	Peak	Off-peak	Peak	Off-peak	Veh Hrs
Weekday							
Saturday							
Sunday							
Lead Agency:		<input style="width: 80%;" type="text" value="WETA"/>		Partnering Agency 1: <input style="width: 80%;" type="text"/>			
				Partnering Agency 2: <input style="width: 80%;" type="text"/>			

Contact Information

<input style="width: 95%;" type="text" value="Nina"/>	<input style="width: 95%;" type="text" value="Rannells"/>	
first name	last name	
<input style="width: 30%;" type="text" value="415-364-3186"/>	<input style="width: 30%;" type="text"/>	<input style="width: 40%;" type="text" value="rannells@watertransit.org"/>
phone	fax	e-mail
address 1	<input style="width: 95%;" type="text" value="Pier 9, Suite 111, The Embarcadero"/>	
address 2	<input style="width: 95%;" type="text"/>	
<input style="width: 40%;" type="text" value="San Francisco"/>	<input style="width: 10%;" type="text" value="CA"/>	<input style="width: 15%;" type="text" value="94111"/>
city	state	zip

**Regional Measure 2 Operating Assistance Proposal
Operating Plan, Service Parameters, and Performance Measures**

Enter the amount needed in each program year.
Use State fiscal years (July 1 - June 30).

Operating Plan - Request for RM2 Funds

	Past Actual	Current Year Adjusted	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	Total
Operating Budget								
Estimated Annual Revenue Hrs.								-
Estimated Operating Cost/Revenue Hour								-
Total Operating Cost	-	-	-	-	-	-	750,000	750,000
-- Fare Revenue								
-- RM 2 Operating Assistance Request						-	750,000	750,000
-- TDA						-		-
-- Local Sales Tax						-		-
-- Private Sector Contributions						-		-
-- Other Subsidy						-		-
Total Subsidy	-	-	-	-	-	-	750,000	750,000
Total Revenues	-	-	-	-	-	-	750,000	750,000
Surplus/(Deficit)	-	-	-	-	-	-	-	-

Service Parameters

	Past Actual	Current Year Adjusted	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	Total
Estimated Annual Ridership							n/a	-
Average Weekday Ridership							n/a	
Annual Revenue Hours							n/a	
Annual Revenue Miles							n/a	

Performance Measures

	Past Actual	Current Year Adjusted	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	Average
Required Measures Per MTC Resolution 3668								
Farebox Recovery Ratio							n/a	
Passengers/Revenue Hour							n/a	
Change in Passenger Per Hour							n/a	
Other Measures								
Cost Per Rider							n/a	
Subsidy Per Rider							n/a	
Cost Per Revenue Hour							n/a	

RM-2 Operating Assistance Application

Certifications

FY 2008-09

Submittal Date: October 2, 2008

Operator: San Francisco Bay Area Water Emergency Transportation Authority

Project: Spare Vessel Program Funds

x	A.	Applicant certifies that, if RM-2 funding was received in FY 2007-08 , it has included the RM-2 costs and revenues in its general fiscal audit for that year. Applicant also assures that it will include the RM-2 costs and revenues in its general fiscal audit which will be completed for FY 2008-09 .
	B.	Applicant certifies to one of the following:
n/a	a.	If Applicant is a bus operator, it certifies that it has submitted a copy of the California Highway Patrol (CHP) certification which was issued within the last 13 months indicating compliance with Cal. Veh. Code. §1808.1 (CHP "pull notice system and periodic reports"). (Pub. Util. Code §99251).
n/a	b.	If Applicant is a ferry operator, it certifies that it is current on all inspections and certifications required by federal and state agencies.
n/a	C.	Applicant certifies that it has current SB 602 "joint fare revenue sharing agreements" in place with transit operators in the MTC region with which its service connects, and that it has submitted copies of all such agreements to MTC.
x	D.	Applicant agrees to participate in studies on Integrated Fare Structures and Transit Connectivity which are required under SB 916.
x	E.	Applicant certifies that it complies with MTC's Transit Coordination Implementation Plan (MTC Resolution No. 3055, revised). (Public. Util. Code §99314.5(c) and §99314.7).

The undersigned attests that the certifications indicated above are true and correct, and further attests to the applicant's intent to comply with the indicated certifications.

Authorized Representative Signature: _____
Name: Jon Stanley
Title: Executive Director
Date: October 2, 2008

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Deputy Director of Finance & Administration

SUBJECT: Authorize Filing an Application with the Metropolitan Transportation Commission for \$600,000 FY 2008/09 Regional Measure 2 Operating Funds to Support Transition Expenses

Recommendation

Authorize filing an application with the Metropolitan Transportation Commission (MTC) for \$600,000 FY 2008/09 Regional Measure 2 (RM2) operating funds to support transition plan and transition-related expenses.

Background/Discussion

Senate Bill 1093 allows up to \$600,000 in FY 2008/09 Regional Measure 2 operating funds to be used to support development of a transition plan and for transition-related costs associated with consolidating City of Vallejo and City of Alameda ferry services under WETA. It is anticipated that these funds will be needed to support City of Alameda, Port of Oakland (Alameda service partner), City of Vallejo and WETA staff and consultant expenses directly associated with the development of the transition plan and associated agreements. Other anticipated expenses include costs associated with public hearings and other outreach efforts associated with the plan development.

Attachment 1 to this report contains the RM2 operating application, including the general application and required certifications and Board resolution. The Board resolution contains the following key items:

- Grants the Executive Director, or his designee, authority to execute the allocation request and transmit it to MTC;
- Assures MTC that there is no legal impediment for the authority to make this request and that there is no pending or threatened litigation;
- Commits the Authority to follow MTC's procedures for seeking allocation and reimbursement of funds; and
- Indemnifies MTC against any claims resulting from performance of services funded with this RM2 allocation. This language is consistent with language required of other grant agreements and does not shift any new risk to WETA.

Financial Implications

This item provides \$600,000 in Regional Measure 2 operating revenues to support development of the transition plan required per Senate Bills 976 and 1093. This work activity was anticipated in the FY 2008/09 operating. Staff will work with MTC and the cities to determine the best way to administer funds for their operating expenses (direct or through WETA).

Options

Approve or reject.

END

ATTACHMENT 1

Regional Measure 2 Operating Assistance Proposal Project Summary Page

Project Information

Project

Title:

Briefly describe service (provide map as attachment). Include information about markets being served (both travel demand as well as interoperator connections).

Brief

Description:

This application is for \$600,000 operating funds to support development of a transition plan and for transition-related costs associated with consolidating City of Vallejo and City of Alameda ferry services under WETA. It is anticipated that these funds will be needed to support City of Alameda (including Port of Oakland), City of Vallejo and WETA staff and consultant expenses directly associated with the development of the transition plan and associated agreements. Other anticipated expenses include costs associated with public hearings and other outreach efforts associated with the plan development.

	Start Time	End Time	Headways		Vehicles in service		Daily Rev Veh Hrs
			Peak	Off-peak	Peak	Off-peak	
Weekday							
Saturday							
Sunday							

Lead Agency:

Partnering Agency 1:

Partnering Agency 2:

Contact Information

first name last name

phone fax e-mail

address 1
address 2

city state zip

**Regional Measure 2 Operating Assistance Proposal
Operating Plan, Service Parameters, and Performance Measures**

Enter the amount needed in each program year.
Use State fiscal years (July 1 - June 30).

Operating Plan - Request for RM2 Funds

	Past Actual	Current Year Adjusted	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	Total
Operating Budget								
Estimated Annual Revenue Hrs.								-
Estimated Operating Cost/Revenue Hour								-
Total Operating Cost	-	-	-	-	-	-	600,000	600,000
-- Fare Revenue								
-- RM 2 Operating Assistance Request						-	600,000	600,000
-- TDA						-		-
-- Local Sales Tax						-		-
-- Private Sector Contributions						-		-
-- Other Subsidy						-		-
Total Subsidy	-	-	-	-	-	-	600,000	600,000
Total Revenues	-	-	-	-	-	-	600,000	600,000
Surplus/(Deficit)	-	-	-	-	-	-	-	-

Service Parameters

	Past Actual	Current Year Adjusted	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	Total
Estimated Annual Ridership							n/a	-
Average Weekday Ridership							n/a	
Annual Revenue Hours							n/a	
Annual Revenue Miles							n/a	

Performance Measures

	Past Actual	Current Year Adjusted	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	Average
Required Measures Per MTC Resolution 3668								
Farebox Recovery Ratio							n/a	
Passengers/Revenue Hour							n/a	
Change in Passenger Per Hour							n/a	
Other Measures								
Cost Per Rider							n/a	
Subsidy Per Rider							n/a	
Cost Per Revenue Hour							n/a	

RM-2 Operating Assistance Application

Certifications

FY 2008-09

Submittal Date: October 2, 2008

Operator: San Francisco Bay Area Water Emergency Transportation Authority

Project: Transition Plan

x	A.	Applicant certifies that, if RM-2 funding was received in FY 2007-08 , it has included the RM-2 costs and revenues in its general fiscal audit for that year. Applicant also assures that it will include the RM-2 costs and revenues in its general fiscal audit which will be completed for FY 2008-09 .
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The undersigned attests that the certifications indicated above are true and correct, and further attests to the applicant's intent to comply with the indicated certifications.

Authorized Representative Signature: _____
Name: Jon Stanley
Title: Executive Director
Date: October 2, 2008