



Members of the Board

Charlene Haught Johnson, Chair
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**MEETING AGENDA FOR THE
WETA BOARD OF DIRECTORS**

BOARD OF DIRECTORS' MEETING
Thursday, September 15, 2011 at 1:00 P.M.
San Francisco Bay Area
Water Emergency Transportation Authority
9 Pier, Suite 111
San Francisco

The full agenda 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 COMMENTS The Water Emergency Transportation Authority welcomes comments from the public. Speakers' cards and a sign-up sheet are available. Please forward completed speaker cards and any reports/handouts 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.

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|---|--------------------|
| 1. <u>CALL TO ORDER – BOARD CHAIR (Location: San Francisco)</u> | Information |
| 2. <u>ROLL CALL/PLEDGE OF ALLEGIANCE</u> | Information |
| 3. <u>REPORT OF BOARD CHAIR</u> | Information |
| 4. <u>REPORTS OF DIRECTORS</u> | Information |
| 5. <u>REPORTS OF STAFF</u> | Information |
| a. Executive Director's Report | |
| b. Legislative Update | |

Water Emergency Transportation Authority
September 15, 2011 Meeting of the Board of Directors

6. CONSENT CALENDAR **Action**
a. Minutes July 14, 2011
b. Authorize Execution of a Pass-Through Agreement with the City of Vallejo to Provide Regional Measure 1 and Regional Measure 2 Operating Funds to Support the Vallejo Baylink Ferry Service
7. UPDATE ON WETA CLIPPER IMPLEMENTATION PROJECT **Information**
8. DISCUSSION REGARDING FARE POLICY GUIDING PRINCIPLES **Information**
9. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS
10. RECESS INTO CLOSED SESSION
- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**
Property: City of Berkeley ferry terminal related property
Agency Negotiators: Nina Rannells and John Sindzinski,
San Francisco Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Berkeley
Under Negotiation: Terms and conditions to the cooperative agreement/lease with the City of Berkeley for Berkeley service
To Be Determined
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**
Property: City of Vallejo ferry terminal related property/assets
Agency Negotiators: Nina Rannells,
San Francisco Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Vallejo
Under Negotiation: Terms and conditions to the transfer of property/assets with the City of Vallejo for the Vallejo Baylink Service
To Be Determined
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**
Property: Pier 9, Port of San Francisco
Agency Negotiators: Nina Rannells and John Sindzinski,
San Francisco Bay Area Water Emergency Transportation Authority
Negotiating Parties: Port of San Francisco
Under Negotiation: Terms and conditions of the Authority's proposed lease of office and berthing space at Pier 9 in San Francisco
To Be Determined
11. REPORT OF ACTIVITY IN CLOSED SESSION **Action**
Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session.
To Be Determined

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 contactus@watertransit.org or call (415) 291-3377 at least five (5) days before the meeting.

Water Emergency Transportation Authority
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Participation in a meeting may be available at one or more locations remote from the primary location of the meeting. See the header of this Agenda for possible teleconference locations. In such event, the teleconference location or locations will be fully accessible to members of the public. Members of the public who attend the meeting at a teleconference location will be able to hear the meeting and testify in accordance with applicable law and WETA policies.

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 Government Code section 84308 and to applicable regulations.

M E M O R A N D U M

TO: WETA Board Members
FROM: Nina Rannells, Executive Director
DATE: September 15, 2011
RE: Executive Director's Report

PROJECT UPDATES

Service Transition Implementation – The Transition Plan guides the consolidation of the Vallejo, Alameda/Oakland and Harbor Bay ferry services under WETA, and presents a five year financial outlook of WETA operating and expansion activities. The WETA Board of Directors adopted the final Transition Plan on June 18, 2009, in compliance with Senate Bills 976 and 1093 requirements.

All escrow requirements for the Alameda Transition were completed in April and the Alameda services were transferred to WETA on April 29, 2011. City and WETA staff and legal counsel continue to work on the Vallejo Transfer Agreement. Staff anticipates being in a position to bring forward a final Vallejo service transition agreement for Board consideration in October 2011.

Emergency Water Transportation System Management Plan (EWTSMMP) - This plan sets a framework for WETA coordination of emergency response and recovery efforts using passenger ferries and will provide a detailed definition of WETA's roles and responsibilities for incident planning, response, recovery and restoration of normal operations. The WETA Board of Directors adopted the final Emergency Water Transportation System Management Plan on June 18, 2009, in compliance with the requirements of Senate Bills 976 and 1093. Preparation of the EWTSMMP and the Emergency Operations Plan (agency's internal plan) are complete.

Vessels - Two 149-passenger vessels, *Gemini* and *Pisces*, and two 199-passenger vessels, *Scorpio* and *Taurus*, have been constructed by Nichols Brothers Boat Builders and Kvichak Marine Industries for use in WETA services and to expand WETA's emergency response capabilities. One of these vessels is currently chartered to the City of Vallejo for utilization in the Vallejo Baylink service.

South San Francisco Ferry Service - This service will provide access to biotech and other jobs in South San Francisco for East Bay commuters and expand the geographic reach of emergency ferry transportation response capabilities on the San Francisco Bay. Construction is proceeding according to schedule. All guide piles are in position and the finishing work, including fabrication and building of the canopies is currently underway. Service is anticipated to begin in early 2012.

Berkeley Ferry Service – This service will provide an alternative transportation link between Berkeley and downtown San Francisco. The environmental and conceptual design work is currently on hold as we await the City's assistance in working out the parking details for ferry patrons and customers of the restaurant located near the terminal. Both groups would share the same parking lot under the conceptual plan that has been prepared to date.

Treasure Island Service – This project, implemented by the Treasure Island Development Authority (TIDA), the Mayor's Office of Economic and Workforce Development and the prospective developer, will institute new ferry service between Treasure Island and downtown San Francisco.

Staff recently met with TIDA to review operating and budgeting scenarios for future Treasure Island ferry service. TIDA and WETA staff are working to prepare a draft Memorandum of Understanding (MOU) outlining each agencies roles and responsibilities for moving forward with the project. The MOU will be subject to review and approval by the WETA Board. TIDA's EIR was recently approved by the San Francisco Planning Commission and was approved by the County Board of Supervisors. Since then, the Sierra Club filed an appeal of this decision with the County Board of Supervisors and the Citizens for a Sustainable Treasure Island has filed a lawsuit against the City and County of San Francisco, alleging CEQA violations. No work can proceed with either the development or the related ferry terminal until that legal challenge is resolved.

Downtown San Francisco Ferry Berthing Expansion - This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new ferry services to San Francisco as set forth in WETA's Implementation and Operations Plan. The proposed project would also include landside improvements needed to accommodate expected increases in ridership and to support emergency response capabilities if a catastrophic event occurs.

The project team is in the process of preparing a Draft EIR/EIS based on scoping comments received to date that is scheduled to be completed and released for public review in early 2012.

Pier 9 Berthing Facility - This project will construct two layover berths for mooring and access to ferry vessels on Pier 9 alongside the northern pier apron and adjacent to the WETA Administrative Offices. Guide piles, floats and gangways have been installed and final project work is underway. Staff anticipates this project to be completed and functional in October 2011.

Central Bay Operations and Maintenance Facility - This project will develop an operations and maintenance facility at Alameda Point to serve as the base for WETA's existing and future central bay ferry fleet. The proposed project would provide running maintenance services such as fueling, engine oil changes, concession supply, and light repair work for WETA vessels and serve as WETA's Operations Control Center for day-to-day management and oversight of service, crew, and facilities. In the event of a regional disaster, the facility would function as an Emergency Operations Center, serving passengers and sustaining water transit service for emergency response and recovery.

Staff is coordinating with the FTA as the federal lead agency for the project to prepare a Categorical Exclusion under NEPA.

Hercules Environmental Review/Conceptual Design -This project is currently on hold awaiting clarification from the City as to its plans and ability to build the multimodal transportation center that is a necessary precondition to any ferry terminal. In early March WETA staff met with City staff to discuss the City's phasing plans for building the adjacent multi-modal station. Based upon this discussion, it appears that in the event that sufficient funds are available to move this project forward, the work required to be done on the multi-modal facility prior to ferry terminal construction will not be completed until FY 2014/15 at the earliest.

Antioch, Martinez, Redwood City, and Richmond Conceptual Design/Environmental Review – These projects involve completing conceptual design and environmental review for potential future ferry services in Antioch, Martinez, Redwood City and Richmond. All four projects are underway with conceptual design, data collection and stakeholder outreach. WETA staff is engaging in early consultation with several state and federal agencies for all of the expansion projects. Early consultation will help identify concerns of the state and federal agencies to be addressed in the conceptual design

and environmental review processes. The consultation will also help streamline the permit process after environmental review is complete.

Ridership Forecast Model Update – This project will update the existing ridership forecast model developed by WETA in 2002 to generate new ridership forecast projections based on the most recent transportation and demographic data available from AGAG, MTC and local land use jurisdictions.

An informational meeting with stakeholders and partnering agencies has been scheduled for October to review the updated projections and discuss additional project alternatives that will be modeled as part of this work.

Clipper Fare Media Implementation – WETA is coordinating with MTC to implement Clipper fare media on the future South San Francisco ferry service and its existing Alameda/Oakland and Alameda Harbor Bay ferry services. MTC and WETA staff have concluded negotiations with Cubic Transportation Systems, the Clipper contractor, on a scope of work and associated change order to support the WETA Clipper implementation and MTC is scheduled to take action to approve this work in September.

UPDATE ON RELEVANT PROJECTS IMPLEMENTED BY OTHER AGENCIES

Vallejo Station - Vallejo Station is a compact, transit-oriented mixed-use project in the City of Vallejo that includes two major transit elements – a bus transfer facility that will consolidate local, regional and commuter bus services and a 1,200 space parking garage for ferry patrons and the general public.

Parking structure construction has been split into two phases. Construction of Phase A, which began in June 2010, is approximately 80% complete. The parking garage's structure is now complete. The contractor is currently working on completing interior paint, application of the brick veneer, waterproofing for the paseo, construction of the grand staircase and installation of the elevators. The east end of the Mare Island Way streetscape work is nearly complete and the contractor will be moving onto the median work shortly. A consultant was brought onboard to devise a Parking Management Plan and recommend a revenue control system to be integrated into the parking structure and surrounding area. Anticipated completion of Phase A construction is still January 2012 despite challenges created by contaminated soils found onsite, the high water table, and unusually wet weather in December 2010. Phase B of the Parking Structure is in the final design stage with the construction start date being dependent on the relocation of the post office property and full funding for this phase. The City is continuing to make progress with the Post Office on relocation efforts. The Bus Transfer Facility portion of the project is now substantially complete and Council acceptance of completion is expected on October 11.

Mare Island Ferry Maintenance Facility – This project will construct a new ferry maintenance facility located at Building 165 on Mare Island in Vallejo in three phases. Phase 1 constructs a 48,000 gallon fuel storage and delivery system. Phase 2 includes construction of a system of modular floats and piers, demolition of Building 855, and construction of a new warehouse/shop in its place. Phase 3 will renovate Building 165 into a permanent office and shop space.

Winzler & Kelly has completed the 100% design packages for both Phase 1 and Phase 2 of this project. The City completed a comprehensive review of the plans and specifications in August 2011. Winzler & Kelly has completed their back fix of the package and has returned it for final City review on September 6. In late June 2011 the California Transportation Commission voted to allocate \$4.2 million in STIP funds to the project; with a deadline of December 31, 2011 to award a construction contract. City of Vallejo staff and project consultants are working to complete all project requirements and secure project permits in the next few months. The project timeline requires all construction documents, permits, leases, environmental and right-of-way requirements to be completed to support construction contract execution by the December 20, 2011 Vallejo City Council meeting.

The Facilities Agreement between the City of Vallejo and Lennar Mare Island is undergoing final review by the parties and is considered to be greater than 98% complete. Until the agreement is final Lennar will not sign the BCDC permit amendment application; although BCDC staff is doing a preliminary review of the application. Legal staffs for both parties are working to clear the remaining obstacles and prepare the document for the respective board approvals. Work continues by Lennar to seek relief for movement of the "Artship" which currently sits directly on the waterfront parcel where Phase 2 of the project will be built. City staff is carefully monitoring the status of the "Artship" as are the US Navy and the permitting agencies.

OPERATIONS

Alameda/Oakland Ferry ("AOFS") Cal Game Service – The AOFS will provide direct service between Alameda Main Street, Oakland Jack London Square, and AT&T Park for all 5 regular season Cal Golden Bears football games.

AOFS Online Ticket Purchase/Reservation Option – S.F. Giants and Cal Bears football fans can now go online to purchase ferry tickets and secure a seat on the popular game day ferries between Alameda Main Street, Oakland, and AT&T Park in San Francisco. This service is available for all AT&T Park Cal Games and the remainder of the San Francisco Giants baseball season. Customers who use the new online advance ticketing reservation system receive priority boarding.

East Bay Ferry Terminal Parking Lot Project – Both the Alameda Main Street and the Harbor Bay ferry terminal parking lots have been repaved and striped. The approximately \$450,000 project was completed on September 9. . The project was a joint effort of the City of Alameda and WETA.

OUTREACH, PUBLIC INFORMATION, AND MARKETING EFFORTS

On July 18, Nina Rannells, Keith Stahnke and John Sindzinski met Federal Transit Administration officials and officials from the Department of Transportation and Public Works from Puerto Rico to share WETA's experience in developing facilities and contracting for ferry service and maintenance operations.

On July 21, Nina Rannells gave an update of WETA's program to the Port of San Francisco's Maritime Commerce Advisory Committee.

On August 16, Keith Stahnke and Chad Mason met with San Francisco's interagency task force to discuss WETA service planning for America's Cup 34 Events (2012, 2013)

On August 29, Nina Rannells attended MTC's Partnership Transit Coordination Committee meeting for an update on the Clipper program and implementation.

On August 30, Keith Stahnke participated in the Regional Incident Mobility Plan (RIMP) working group with MTC, CalEMA and Caltrans, RIMP purpose is to identify the process, resources and routes necessary to provide transportation mobility following a regional incident.

On September 8, Keith Stahnke participated in the MTC Trans Response Plan (TRP) Steering Committee Meeting.

OTHER ACTIVITIES / ITEMS

America's Cup – The City of San Francisco will host the 34th America's Cup race and related events in 2012 and 2013. WETA staff is participating on the City's interagency task force for event transportation in order to support transportation planning and identify the role that WETA's ferry system might play in supporting this event. Preparation of the Final Environmental Impact report and the final People Plan for the 34th America's Cup is underway.

Redwood City PortFest – The Port of Redwood City and the City of Redwood City have requested to showcase one of WETA's new ferries at their 2nd annual PortFest on Saturday, October 1st. WETA staff has made arrangements to make a boat available for this community event.

Contract for Service Operations and Maintenance – WETA issued an RFP for a new service contract operator on May 6, 2011. Staff anticipates bringing forward an award recommendation associated with this RFP for Board consideration in October.

ADMINISTRATION

Financial Statements - Attached are the monthly financial statements for FY 2010/11 through June 2011 and FY 2011/12 through July 2011, including the Statement of Revenues and Expenses and the Capital Budget vs. Expenditures reports.

San Francisco Bay Area Water Emergency Transportation Authority
FY2010/11 Statement of Revenues and Expenses
June 2011

	Current Month	Prior Year Actual	2010/11 Budget	2010/11 Actual	% of Budget
% of Year Elapsed 100%					
Operating Revenues					
Operating Assistance					
RM 2 Planning	855,372	3,974,266	4,950,000	4,572,247	92.4%
SUASI	-	26,198	-	-	0%
Total Operating Assistance	855,372	4,000,464	4,950,000	4,572,247	92.4%
Other Revenues					
Interest Income	543	13,050	15,000	7,978	53.2%
Other	-	7,900	-	-	0.0%
Total Other Revenues	543	20,950	15,000	7,978	53.2%
Total Operating Revenues	855,915	4,021,413	4,965,000	4,580,225	92.3%
Total Capital Revenues	4,259,126	17,675,940	28,622,995	17,728,331	61.9%
Total Revenues	5,115,042	21,697,353	33,587,995	22,308,556	66.4%
Operating Expenses					
Operations					
Wages and Fringe Benefits	123,775	1,472,036	1,613,000	1,451,663	90.0%
Services	687,654	2,144,939	2,798,000	2,712,835	97.0%
Materials and Supplies	10,113	25,071	87,000	32,616	37.5%
Utilities	1,964	11,322	19,000	12,032	63.3%
Insurance	-	28,973	37,000	29,767	80.5%
Miscellaneous	6,789	38,597	103,000	42,390	41.2%
Leases and Rentals	25,076	279,526	293,000	290,944	99.3%
Total Operations	855,372	4,000,464	4,950,000	4,572,247	92.4%
Total Operating Expenses	855,372	4,000,464	4,950,000	4,572,247	92.4%
Total Capital Expenses	4,259,126	17,675,940	28,622,995	17,728,331	61.9%
Total Expenses	5,114,498	21,676,404	33,572,995	22,300,578	66.4%
Excess Revenues (Loss)	543	20,950	15,000	7,978	

San Francisco Bay Area Water Emergency Transportation Authority
FY2010/11 Statement of Revenues and Expenses
June 2011

Project Description	Current Month	Project Budget	Prior Year Actual	2010/11 Budget	2010/11 Actual	Future Year	% of Project
Expenses							
2 Spare Vessels	-	17,000,000	16,764,811	235,189	89,956	-	99%
SSF Vessels	432,695	20,500,000	19,504,841	995,159	483,946	-	98%
SSF Mitigation Study	-	275,000	42,459	52,541	-	180,000	15%
SSF Terminal Construction	2,664,191	26,000,000	1,420,414	15,985,586	13,994,126	8,594,000	59%
Berkeley Environ/Conceptual Design	(40,468)	1,954,700	1,566,858	303,842	102,664	84,000	85%
Berkeley Terminal Design	-	3,200,000	-	1,500,000	-	1,700,000	0%
Hercules Environ/Conceptual Design	-	1,080,000	981,684	98,316	8,248	-	92%
Pier 9 Mooring/Floats	858,657	3,150,000	329,867	2,820,133	1,403,673	-	55%
Environmental Studies/Conceptual Design	9,706	3,250,000	56,000	2,120,000	195,466	1,074,000	8%
Central Bay Ops/Maintenance Facility	20,580	2,600,000	128,770	962,230	234,103	1,509,000	14%
Maintenance Barge, Floats & Ramps	122,861	5,000,000	-	1,250,000	265,800	3,750,000	5%
S.F. Berthing - Environ/Conceptual Design	190,904	3,300,000	-	2,300,000	950,349	1,000,000	29%
Total Capital Expenses	4,259,126	87,309,700	40,795,705	28,622,995	17,728,331	17,891,000	
Revenues							
RM 2	585,450	33,281,735	31,410,679	1,690,975	1,597,489	180,081	99%
San Mateo County Sales Tax	565,352	15,000,000	410,919	10,892,865	3,135,614	3,696,216	24%
Federal	1,661,016	15,047,533	6,574,895	4,393,658	7,988,721	4,078,980	97%
Proposition 1B	1,324,447	23,980,432	2,399,211	11,645,497	4,830,706	9,935,724	30%
Alameda County Sales Tax	119,861	-	-	-	172,800	-	0%
Total Capital Revenues	4,256,126	87,309,700	40,795,705	28,622,995	17,725,331	17,891,000	

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San Francisco Bay Area Water Emergency Transportation Authority
FY 2011/12 Statement of Revenues and Expenses
For Period Ending 07/31/2011

% of Year Elapsed 8.5%

	Current Month	Prior Year Actual	2011/12 Budget	2011/12 Actual	% of Budget
Operating Expenses:					
Planning & General Administration:					
Wages and Fringe Benefits	117,614	1,451,663	1,546,000	117,614	7.6%
Services	14,646	2,712,835	2,199,000	14,646	0.7%
Materials and Supplies	259	32,616	51,000	259	0.5%
Utilities	329	12,032	15,000	329	2.2%
Insurance	6,599	29,767	33,000	6,599	20.0%
Miscellaneous	2,463	42,390	128,000	2,463	1.9%
Leases and Rentals	24,467	290,944	298,000	24,467	8.2%
Sub-Total Planning & Gen Admin	166,376	4,572,247	4,270,000	166,376	3.9%
Ferry Operation:					
Vessel Operation	402,515		5,117,814	402,515	7.9%
Vessel Maintenance	112,500		1,385,185	112,500	8.1%
Facility Maintenance	79,800		419,144	79,800	19.0%
General & Administration	16,892		151,300	16,892	11.2%
Sub-Total Ferry Operation	611,708	-	7,073,443	611,708	8.6%
Total Operating Expenses	778,083	4,572,247	11,343,443	778,083	6.9%
Total Capital Expenses	43,942	21,964,507	24,264,197	43,942	0.2%
Total Expenses	822,025	26,536,754	35,607,640	822,025	2.3%

Operating Revenues					
Fare Revenue	185,874		2,982,383	185,874	6.2%
Local - Bridge Toll	530,995		7,782,866	530,995	6.8%
Local - TIF	41,667		500,000	41,667	8.3%
Local - LLAD	19,548		78,194	19,548	25.0%
Total Operating Revenues	778,084	-	11,343,443	778,084	6.9%
Total Capital Revenues	43,942	21,964,507	24,264,197	43,942	0.2%
Total Revenues	822,025	21,964,507	35,607,640	822,025	2.3%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2011/12 Statement of Capital Revenues and Expenses
For Period Ending 07/31/2011

Project Description	Current Month	Project Budget	Prior Year Actual	2011/12 Budget	2011/12 Actual	Future Year	% of Project
Capital Expenses:							
SSF Mitigation Study	-	275,000	42,459	232,541	-	0	15%
SSF Terminal Construction	28,878	26,000,000	15,414,540	10,509,460	28,878	76,000	59%
Berkeley Environ/Conceptual Design	1,506	2,304,700	1,785,235	519,465	1,506	-	78%
Berkeley Terminal Final Design	-	3,200,000	-	500,000	-	2,700,000	0%
Hercules Environ/Conceptual Design	-	1,080,000	989,932	90,068	-	-	92%
Pier 9 Mooring/Floats	-	3,150,000	1,862,117	1,287,883	-	-	59%
Environmental Studies/Conceptual Design	4,141	3,250,000	251,465	2,998,535	4,141	-	8%
Central Bay Ops/Maint Fac - Environ/Design	4,901	2,600,000	362,872	2,237,128	4,901	-	14%
Central Bay Ops/Maint Fac - Construction	-	30,000,000	-	130,000	-	29,870,000	0%
Passenger / Emergency Float	-	2,500,000	90,000	1,500,000	-	910,000	4%
S.F. Berthing - Environ/Conceptual Design	4,515	3,300,000	950,349	1,861,651	4,515	488,000	29%
Vessel Engine Overhaul	-	1,103,564	-	1,103,564	-	-	0%
Vessel Mid-Life Overhaul - Peralta	-	5,015,000	-	515,000	-	4,500,000	0%
Channel Dredging - Harbor Bay	-	250,000	-	250,000	-	-	0%
Infatable Boyancy Apparatus Purchase - 20	-	120,000	-	20,000	-	100,000	0%
Terminal Facility Improv - Harbor Bay	-	250,000	-	20,000	-	230,000	0%
Terminal Parking Lot Rehabilitation	-	475,000	-	475,000	-	-	0%
Emergency Repair - Harbor Bay Facilities	-	177,440	175,800	1,640	-	-	99%
Communications Equipment	-	52,000	39,737	12,263	-	-	76%
Total Capital Expenses	43,942	85,102,704	21,964,507	24,264,197	43,942	38,874,000	
Capital Revenues:							
Federal	-	23,233,404	8,839,892	7,794,447	-	6,599,065	38%
State	13,557	42,078,461	4,775,865	9,508,732	13,557	27,793,864	11%
Local - Bridge Toll	27,087	7,616,713	4,626,416	2,378,065	27,087	612,232	61%
Local - San Mateo Sales Tax Measure A	3,298	10,935,686	3,546,535	4,420,314	3,298	2,968,838	32%
Local - Alameda Sales Tax Measure B	-	1,238,440	175,800	162,640	-	900,000	14%
Total Capital Revenues	43,942	85,102,704	21,964,507	24,264,197	43,942	38,874,000	

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DATE: September 15, 2011
TO: WETA Board Members
FROM: Peter Friedmann
Tel: 202-783-3333 Fax: 202-783-4422 OurManInDC@federalrelations.com
SUBJECT: Report to the Board

Report to the WETA Board – Federal Initiatives Benefiting WETA

For the past two years, even as the budget deficit debate raged on, there has been underlying agreement, among most Democrats and Republicans on Capitol Hill, that if the federal government were to do anything to stimulate the economy, it ought to revolve around construction and infrastructure. Some Democrats voted against the original Economic Stimulus legislation on the grounds that only a small percentage of the nearly \$800 billion was actually going to be used to build infrastructure. So, no surprise that the centerpiece of the President's jobs bill is a major infrastructure initiative. While Congress may wish to broaden the focus, beyond \$25 billion to renovate 35,000 schools (to include transportation and transit perhaps), the concept is one that the majority in Congress can agree upon. Both the US Chamber of Commerce and the AFL – CIO support it.

Virtually every Congressional office has advocated for Department of Transportation funding in their states and Districts. In the last comprehensive Transportation Authorization Bill, six years ago, WETA gained \$2.5 million each year from the Bus and Bus Facilities program, plus another \$6 million for the South San Francisco (Oyster Point) terminal. Since then, the San Francisco Bay Congressional Delegation has expressed continued interest in continuing the flow of federal funds to WETA for the ferry program expansion.

This fall, despite some early doubts, Congress will be extending the existing federal gas tax. Thus, the funding source for highway/transit programs will be insured. In addition, the possibility of a new comprehensive Transportation Authorization Bill is emerging.

We, together with other public ferry systems, are proposing a new "Ferry Title" that will infuse additional funds into the public ferry systems. Simultaneously, we are engaged in lobbying activity to assure a fair share of any new funding, for emerging ferry systems such as WETA.

Senator Boxer, as Chair of the Senate Environment and Public Works Committee, will have a major role in determining the content of any new Transportation Authorization legislation. Her staff continues to be very helpful. On the House side, Congressman Garamendi is leading the charge for WETA's interests before the Transportation and Infrastructure Committee, with strong support from Representatives Pelosi, Lee, Miller and Speier.

We now have reason to be hopeful, that despite the current budget-cutting environment, and with continued and creative efforts on Capitol Hill, WETA will see additional federal funding, both in the near-term and longer-term.

Respectfully Submitted,
Peter Friedmann

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(July 14, 2011)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met to conduct a terminal construction site visit at Oyster Point, 901 Marina Blvd in South San Francisco, CA.

1. ROLL CALL AND CALL TO ORDER

Chair Charlene Haught Johnson called the meeting to order at 11:00 a.m. Also present were Director Jerry Bellows and Director John O'Rourke.

Executive Director Nina Rannells, Manager of Planning and Development John Sindzinski, and Bill Davis, WETA's owner Representative and representatives from the general contractors toured the terminal construction site with members of the Board and other attendees in order to provide an update on the project progress. Both the staff and the contractors and Mr. Davis provided a verbal overview of the project and answered construction questions that came up during the tour. No actions were taken or decisions made concerning any WETA business.

2. RECESS

Chair Johnson called the meeting into recess at 12:05 a.m. noting that the Board would reconvene in regular session at 1:00 p.m. at the WETA offices, Pier 9, Suite 111, San Francisco, CA.

3. ROLL CALL AND CALL TO ORDER

Chair Johnson reopened the meeting at Pier 9 at 1:10 p.m. Also present were Vice Chair Intintoli, Director Jerry Bellows and Director John O'Rourke. Administrative Assistant Scott Houston led the Pledge of Allegiance.

4. REPORT OF BOARD CHAIR

Chair Johnson remarked that the tour of the new terminal at Oyster Point, South San Francisco was very interesting and that she was pleased with the progress made on the terminal and had not expected it would be as large as it was. She said it was clear that the contractors were putting heart and soul into their work, and that any interested parties who had not seen the terminal yet should make the trip to Oyster Point to see it.

5. REPORT OF DIRECTORS

None.

6. REPORTS OF STAFF

Executive Director Nina Rannells indicated that there was a written report included in the packet and offered a correction to this report, noting that the Sierra Club had not filed a lawsuit against the Treasure Island Development Authority but an appeal with the San Francisco Board of Supervisors regarding their approval of the EIR for the project. She noted that the Supervisors had rejected the appeal and that WETA would continue to engage with TIDA staff regarding the project.

Vice Chair Intintoli asked if the threat of a lawsuit remained. Mr. John Sindzinski said that since the appeal had been filed after the 30 day comment period had closed that further action through the Board of Supervisors was unlikely.

Vice Chair Intintoli then asked for an update on the Berkeley project. Mr. Sindzinski replied that he understands that the City Manager had sent a letter to the leaseholder, H^s Lordships, asking for a meeting with city staff to discuss the lease issues surrounding the parking lot. Chair Johnson remarked that it didn't sound to her as if the city was determined to see the project move forward. Ms. Rannells noted that both the letter and Secretary of the Berkeley Waterfront Commission John Mann's attendance at the June WETA meeting were encouraging, but that follow through action by the City was critical to moving this project forward.

Concluding her report, Ms. Rannells referred the Board to the Federal Legislative report handout. She noted that it discussed the federal debt limit as well as promising movement regarding reauthorization of the TEA bill and that despite anticipation that overall transit funding may be down by a third that Mr. Friedmann remained optimistic that funding for ferries in general may increase.

7. CONSENT CALENDAR

Chair Johnson made a motion to approve the consent calendar which included the minutes from the June 2, 2011 Board of Directors meeting and authorization to execute a pass-through agreement with the City of Vallejo to provide Federal Transit Administration and Regional Measure 1 funds to support the Vallejo dredging project.

Director Bellows noted a correction in Item 12 regarding his question intended to clarify the Jack London Square parking garage hours.

Director Bellows made a motion to approve the consent calendar with amended minutes. Vice Chair Intintoli seconded the motion and the consent calendar carried unanimously.

8. AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS FOR CLAY STREET OAKLAND PASSENGER FLOAT REPLACEMENT

Ms. Rannells prefaced this and the following two items by noting that all three presented requests to the Board to issue Requests for Proposals supporting work needed on the Alameda/Oakland Ferry Service and that funding for these projects was included in WETA's budget.

Operations Manager Keith Stahnke presented this item requesting Board authorization to release a Request for Proposals for the replacement of the Clay Street Oakland passenger float. Mr. Stahnke noted that replacement of the float was required by the agreement with the Port of Oakland prior to the transfer of waterside assets to WETA and that the float had reached the end of its useful life.

Ms. Rannells added that a long-range plan may include rebuilding the entire Oakland terminal facility but that replacing the float was an urgent concern due to its condition and that the Oakland terminal was increasingly important to the service. Mr. Stahnke added that this terminal may play a vital role in the upcoming service from the East Bay to South San Francisco.

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

9. AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS FOR BAY BREEZE VESSEL REFURBISHMENT

Mr. Stahnke presented this item requesting the Board authorize the release of a Request for Proposals for the Bay Breeze Vessel Refurbishment project. Mr. Stahnke reviewed the history of

the vessel and noted that its mid-life refurbishment would reduce operating costs and provide improved passenger amenities.

Chair Johnson asked what the cost of the refurbishment would be. Mr. Stahnke said that \$5 million had been budgeted. Vice Chair Intintoli asked how much the previously-completed engine replacement project had cost. Mr. Stahnke indicated that this was approximately \$1.1 million. Vice Chair Intintoli asked how much a new ferry would cost. Mr. Stahnke said that the *Bay Breeze* had cost approximately \$3 million when it was delivered in 1995 but that a new boat would cost about \$6 to \$8 million like the WETA ferries. Vice Chair Intintoli said that in the future WETA should consider the option of a new boat if the cost was similar to refurbishment.

Ms. Rannells said that comparing the refurbishment cost to the cost of a new vessel made refurbishment seem high but that federal funding was only available for vessel refurbishment at this time, not for purchase of a new boat. Mr. Stahnke added that while \$5 million was the available funding for the refurbishment, he was optimistic that WETA would receive proposals for less. He also noted that Vallejo has budgeted a total of between \$16 and \$18 million on a similar refurbishment of the *Intintoli* and *Mare Island* ferries, and that although *Bay Breeze* is a smaller boat the project was similar in scope.

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

10. AUTHORIZE RELEASE OF A REQUEST FOR QUALIFICATIONS FOR BAY BREEZE VESSEL REFURBISHMENT CONSTRUCTION MANAGEMENT SERVICES

Mr. Stahnke presented this item requesting the Board authorize the release of a Request for Qualifications for Construction Management Services for the Bay Breeze Vessel Refurbishment project.

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

11. APPROVE SYSTEM OPERATING NAME AND LOGO AND AMENDMENT WITH THE M-LINE FOR ADDITIONAL SERVICES

Public Affairs Manager Leamon Abrams presented this item requesting the Board approve an operating name and logo for WETA's regional ferry system as well as Amendment No. 2 to the agreement with the M-Line Inc. in the amount of \$50,000 to provide additional services.

Mr. Abrams reviewed the background of the project and WETA's need to develop, market and promote the various aspects of a consolidated ferry service to the public under a unified brand identity. He noted that the Board had awarded an initial contract to the M-Line in October 2009 which resulted in the Preliminary Brand Foundation document reviewed by the Board at the July 2010 meeting and the subsequent Phase 2 work which focused on a brand name, website development and marketing support.

Mr. Abrams spoke briefly on each element of the Phase 2 work including the establishment of a naming committee which included WETA staff and Ernest Sanchez, then of the Alameda Oakland Ferry Service. He said that the committee looked at over 1300 names which were then narrowed to about 50 names for analysis and review. Mr. Abrams added that staff also undertook outreach efforts to solicit names from riders and the general public via solicitation onboard the ferries and on the WETA website. He added that several preferred names were also vetted for any potential trademark issues and URL availability.

Mr. Abrams said the names considered were either descriptive, such as Bay Boat or Bay Ferry, or more abstract, such as H₂Go or CityFish. He shared several of the names and preliminary logo treatments which had been evaluated. Vice Chair Intintoli confirmed that Baylink had also been considered. Mr. Abrams noted that after discussion with the naming committee and transit and marketing professionals, it was determined that the best name for the WETA ferry system would be one that was descriptive and did not require explanation. He noted that a secondary benefit of a simple, descriptive name would be that it could be more readily amended or changed in the future.

Mr. Abrams then presented the San Francisco Bay Ferry name and logo for the Board's review.

Vice Chair Intintoli asked how much it would cost to rebrand the boats. Mr. Abrams advised that the current branding on the WETA boats was an applied decal and that boat rebranding could be included in existing maintenance schedules. He said that the cost for decals was much less than the cost of painting. Ms. Rannells said that it made sense to coordinate the rebranding of boats with the maintenance schedules. Mr. Stahnke agreed and noted that the decal application was not a major process.

Mr. Abrams demonstrated the name and logo applied to a variety of examples of signage and collateral material. Vice Chair Intintoli asked if there was potential confusion with the Clipper fare payment card logo. WETA Counsel Stanley Taylor of Nossaman LLP demonstrated his Clipper card and several agreed that there was no substantial similarity.

Chair Johnson noted that the chosen name afforded a good deal of flexibility that a name like CityFish would not have. Vice Chair Intintoli noted that the process had taken great deal of time considering the result. Ms. Rannells agreed that it had been an involved process but noted that it was due to the process that it had become apparent that San Francisco Bay Ferry was the right way to go at this time in the organization's evolution.

Mr. Abrams continued, noting that marketing work had also been included as part of Phase 2. He said that as part of that work, an outline of a website had been created in order to put a name and logo in context and that this work had evolved into a complete overhaul of the WETA website. He noted that Mr. Houston's assistance with organizational and technical aspects of the project had been invaluable. Mr. Abrams then briefly demonstrated the future website to the Board, adding that it was not yet public but was near completion.

Ms. Rannells noted that the big change for the website was the move from a planning agency's site to one that would focus on ferry operations and deliver information to the rider. Mr. Abrams added that it would be a great marketing opportunity for WETA to be able to provide this resource to customers and to coordinate with events such as Pride or Bay to Breakers and to make people aware that the ferry can serve those activities as well as commuters.

Vice Chair Intintoli asked what the URL would be. Mr. Abrams said that it would be sanfranciscobayferry.com and that it would also be easily located through search results.

Director O'Rourke said that he felt the name and logo was spot on, noting that he was pleased that "Bay" was included in the name to make it clear that the ferry served the whole bay and not just San Francisco. Ms. Rannells agreed that that was important. Director Bellows stated that he thought it was a good name and that the logo was alright. Vice Chair Intintoli said that all he could think about was the City of Vallejo going through the same process and the substantial amount of money which had been spent to select the name Baylink.

Vice Chair Intintoli noted that "July 2011" in the second paragraph of the Board memo should be corrected to read "July 2010".

Vice Chair Intintoli made a motion to approve the item as amended. Director Bellows seconded the motion and the item carried unanimously.

12. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 2:00 p.m. Upon reopening of the meeting at 2:25 p.m. she reported that no action had been taken.

13. ADJOURNMENT

All business having concluded, the meeting was adjourned at 2:25 p.m.

Respectfully Submitted,

Board Secretary

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Lynne Yu, Manager, Finance & Grants**

SUBJECT: Authorize Execution of a Pass-Through Agreement with the City of Vallejo to Provide Regional Measure 1 and Regional Measure 2 Operating Funds to Support the Vallejo Baylink Ferry Service

Recommendation

Authorize the Executive Director to execute a pass-through agreement between the San Francisco Bay Area Water Emergency Transportation Authority (WETA) and City of Vallejo (City) to provide the City with Regional Measure 1 - 5% (RM1) and Regional Measure 2 (RM2) operating funds to support the Vallejo Baylink ferry service in FY 2011/12.

Background/Discussion

In June 2011, the WETA Board of Directors authorized the filing of applications with the Metropolitan Transportation Authority (MTC) for RM1 and RM2 operating funds to support Vallejo Baylink ferry service in FY 2011/12. In anticipation and support of the service transition to WETA, MTC's approval of this request was structured to provide first quarter operating funds directly to the City of Vallejo and the balance of funds directly to WETA to support the transitioned service or for pass-through to the City depending upon the status of the Vallejo Baylink transition efforts.

Staff anticipates bringing forward a final Vallejo Baylink Transfer Agreement for Board consideration in October and that, if approved, the service transition will likely be completed by the end of the calendar year. In order to maintain the flow of operating funds to the City during this interim period, the City and WETA will need to enter into a Memorandum of Understanding (MOU) to pass-through RM1 and RM2 operating funds designated for the Vallejo Baylink ferry service. A draft MOU for this purpose is provided as **Attachment A** to this report.

Financial Implications

There is no fiscal impact associated with this item.

END

Attachment A

MEMORANDUM OF UNDERSTANDING
Between
SAN FRANCISCO BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY
And
CITY OF VALLEJO

This Memorandum of Understanding (“MOU”), effective _____ (“Effective Date”) is entered into by and between the San Francisco Bay Area Water Emergency Transportation Authority (“Authority” or “WETA”) and the City of Vallejo (“City”).

WHEREAS, in November 1989, voters approved Regional Measure 1 (“RM1”) authorizing a toll increase on all state owned bridges in the San Francisco Bay Area. Five percent (RM1-5%) of the revenue derived from this toll increase may be programmed and allocated by the Metropolitan Transportation Commission (“MTC”) for ferry transit operations and bicycle related planning; and

WHEREAS, in March 2004, voters approved Regional Measure 2 (“RM2”), increasing the toll for all vehicles on the state-owned bridges in the San Francisco Bay Area by \$1.00, with this extra dollar funding various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004), commonly referred as RM2; and

WHEREAS, in 2007, as part of SB 976, the Authority was named the eligible recipient of RM1 and RM2 funds for the ferry and related Route 200 bus service projects; and

WHEREAS, City currently owns and operates the ferry service between Vallejo and San Francisco currently known as the Vallejo Baylink Ferry Service and complementary Route 200 bus route (currently known as the Route 200 Vallejo Baylink Bus service, “Route 200”), collectively, “Service”; and

WHEREAS, and Solano County Transit (“SolTrans”), a California joint powers agency, formed by joint powers agreement among the City of Benicia, the City of Vallejo, and STA to merge the bus transit services in Benicia and Vallejo currently operates Route 200 on behalf of City and City reimburses SolTrans for related expenses using RM1-5% and RM2 operating funds and Service fare revenues; and

WHEREAS, the San Francisco Bay Area Water Emergency Transportation Response and Disaster Recovery Act, California Government Code sections 66540 *et seq.* authorized the consolidation of San Francisco Bay Area regional ferry services and implementation of the transition of the Service from City to WETA; and

WHEREAS, City and Authority are in the process of negotiating agreements to effect such transfer; and

WHEREAS, in June 2011, the Authority’s Board of Directors authorized staff to file applications with MTC for RM1-5% and RM2 operating funds to support the Service in FY

2011/12, with the understanding that, consistent with MTC direction, first quarter funds would be allocated directly to the City and the balance of funds would be allocated directly to the Authority for use or pass-through to Vallejo in the event that the service transition was not completed; and

WHEREAS, while Authority and City staff anticipate having a final transition agreement for Authority's Board of Director and City Council consideration in the next month, close of the Service transfer is anticipated to occur several months later; and

WHEREAS, the Authority has agreed to pass through RM1-5% and RM2 operating funds designated to support the Service in FY 2011/12 until transition of the Service to the Authority is complete.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH ARE HEREBY CONFIRMED, the parties agree as follows:

I. PURPOSE

The purpose of this MOU is to memorialize the understandings between the Authority and the City pursuant to which the Authority will pass through RM1-5% and RM2 operating funds to the City specifically intended to support the Service in FY 2011/12. The pass through of operating funds from the Authority to the City for the foregoing purpose, and City's obligations under this MOU, are specifically contingent upon the Authority's receipt of RM1-5% and RM2 operating funds for the Service from MTC.

II. RESPONSIBILITIES, COVENANTS AND GENERAL PROVISIONS

A. Compliance:

The City shall be responsible for complying with all policies, procedures and legal requirements applicable to the receipt of RM1-5% and RM2 operating funds.

B. Finance:

1. As specified in Exhibit A, the Authority shall pass through RM1-5% operating funds to the City on a monthly basis by the first (1st) of each month during the Term or within five (5) business days after the corresponding funds are received by Authority from MTC, whichever occurs later.
2. As specified in Exhibit A, the Authority shall pass through RM2 operating funds to the City on a monthly basis by the first (1st) of each month during the Term or within five (5) business days after the corresponding funds are received by the Authority from MTC, whichever occurs later.

3. Monthly pass through payments to be made monthly in advance, subject to quarterly adjustments to reflect actual expenses against funds received.

C. Records and Auditing:

The City shall maintain all applicable records in compliance with auditing requirements and any other applicable fiscal responsibilities as stated in the City's application for the RM1-5% and RM2 operating funds to MTC, and any guidelines or other applicable requirements for the receipt of RM1-5% and RM2 operating funds. The City shall provide the Authority with quarterly statements and any supporting documentation required by MTC to reflect actual expenses incurred against monthly advances of RM1-5% and RM2 operating funds received within thirty (30) calendar days after the close of the quarter. The City shall provide any additional information and documentation to the Authority as may be reasonably necessary for audits or reports required by the MTC within ten (10) calendar days of Authority's written request to City.

- D. This MOU may be amended, modified, or supplemented only in writing signed by both parties. A party's waiver of any obligation to be performed by the other party shall not be deemed a waiver of subsequent performance of the obligation.

- E. All notices and communications deemed by either party to be necessary or desirable shall be in writing and may be given by personal delivery to a representative of the parties, by mailing the same postage prepaid, addressed as follows, by e-mail to the address specified for the party followed by mailing as provided herein:

If to the Authority:

San Francisco Bay Area Water Emergency Transportation Authority
Attn: Lynne Yu
Pier 9, Suite 111
San Francisco, CA 94111
e-mail: yu@watertransit.org

If to the City:

City of Vallejo
Attn: Public Works Director
555 Santa Clara St.
Vallejo, CA 94590

With a copy to:

City of Vallejo
Attention: Finance Department
555 Santa Clara St.
Vallejo, CA 94590

The address to which mailings shall be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

- F. Neither party shall assign, transfer, or otherwise substitute its interest in this MOU, nor its obligations, without the prior written consent of the other party.
- G. The parties agree that any dispute arising from this MOU that is not resolved within 30 days by the parties' representatives responsible for the administration of this Agreement shall be set forth in writing and addressed to the attention of the MTC's Director of Programming and Allocations for resolution. In the event resolution is not reached, the parties may submit the dispute to mediation by a neutral party mutually agreed to by the parties hereto prior to initiating any formal action in court.
- H. WETA may terminate this MOU upon thirty (30) calendar days' prior written notice for the other party's material failure to comply with the requirements of this MOU. Upon termination, the City shall return all RM1-5% and RM2 operating funds to the Authority except for funds that were expended in full compliance with the RM1-5% and RM2 program terms and conditions, and expenses otherwise incurred or payable by City (including under third party contracts).

III. INDEMNIFICATION

The City shall defend, indemnify, and hold harmless the Authority, its Board of Directors, representatives, agents and employees from and against all claims, injury, suits, demands, liability, losses, damages and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or failure to act of the City, its officers, directors, employees, agents, or contractors or any of them arising out of City's malfeasance or sole negligence under this MOU, including but not limited to, as a result of application of any RM1-5% and RM2 operating funds to non-Service related expenses. The indemnity set forth in this Section III shall survive the expiration or earlier termination of this MOU but, in all events, shall expire on and be superseded by the terms of the Ferry Service Operations Transfer Agreement to be executed by City and Authority as of the "Closing Date" as defined therein (i.e. the date on which the Service transfers to the Authority).

IV. TERM

The term of this MOU shall commence as of the Effective Date and terminate upon the completion of the Service transfer to the Authority and close of the related escrow period, unless earlier terminated pursuant to Section III.H. It is understood by the parties that upon termination of this MOU, the provisions of Section II C shall remain in full force and effect until all applicable grant obligations have been satisfied.

IN WITNESS WHEREOF, the parties have executed this MOU on the dates set forth below.

City of Vallejo:

**San Francisco Bay Area Water Emergency
Transportation Authority:**

By: _____
Name: _____
Title: _____

By: _____
Name: Nina Rannells
Title: Executive Director

Date

Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Attorney

Attorney

Date

Date

EXHIBIT A

Payments to be made monthly in advance, subject to quarterly adjustments to reflect actual expenses against funds received.

Regional Measure 1 -5% (RM1-5%) Operating Funds:

Total FY 11/12 RM1-5% funds for the Service = \$1,256,800

Amount MTC allocated directly to City of Vallejo on 7/27/2011 for 1st Qtr of FY11/12 = \$314,200

Amount remaining FY11/12 RM1-5%: \$942,600

Approximate Monthly amount to be passed from WETA to Vallejo = \$104,733

Regional Measure 2 (RM2) Operating Funds:

Total FY 11/12 RM2 funds for the Service = \$6,011,200

Amount MTC allocated directly to City of Vallejo on 6/22/2011 for 1st Qtr of FY11/12 = \$1,485,800

Amount remaining FY11/12 RM2: \$4,525,400*

Approximate monthly amount to be passed from WETA to Vallejo = \$502,822

*This remaining balance will be increased by any carryover of unspent 1st Qtr allocations to the City and the monthly pass-through amount to Vallejo adjusted accordingly.

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
John Sindzinski, Manager, Planning & Development
Michael Gougherty, Planner/Analyst

SUBJECT: Update on WETA Clipper Implementation Project

Recommendation

This is an informational item only, no Board action is required.

Background/Discussion

On July 2, 2009, MTC entered into a contract with Cubic Transportation Systems, Inc. to design, build, operate and maintain the Clipper fare payment system as an all-in-one reloadable transit fare media that can be used on most Bay Area transit systems. The intent of the Clipper system is to provide a fare mechanism that supports seamless intermodal transfers to and from transit services throughout the region, improves agency fare payment and cash handling processes, and enhances customer convenience.

During Phase I and Phase II of the Clipper program, MTC and Cubic implemented Clipper for the seven largest transit operators in the region. MTC is now initiating Phase III of the Clipper program, which will include implementation of Clipper for smaller Bay Area transit operators, including: WETA, East Bay operators, Solano and Napa County operators, and operators in the 101 corridor.

In April 2011, the Board authorized the Executive Director to enter into a cooperative agreement with MTC to implement Clipper on WETA's ferry system. Prior to entering into an agreement, WETA and MTC agreed to first initiate negotiations with Cubic to establish an acceptable scope of work and cost proposal for the work. Over the past several months, staff has worked with CH2M Hill (formerly Booz Allen Hamilton), a WETA on-call consultant, and MTC staff on this effort. On September 9, MTC's Operations Committee approved a Contract Change Order with Cubic and related MTC MOU with WETA to move forward with the WETA ferry implementation.

WETA Implementation

Clipper will initially be offered for passengers on the new South San Francisco ferry service and the existing Alameda/Oakland and Harbor Bay services operated by WETA. Cubic will provide and install pole-mounted Clipper card readers and required network devices at each of the five terminals supporting these services. Cubic will also provide handheld card readers that may be utilized to process Clipper transactions for services to Angel Island, Pier 41, and AT&T ballpark terminals. Implementation will take approximately six months.

The Vallejo Baylink service, which is not yet operated by WETA, is not included as part of the initial WETA Clipper implementation. Because the Baylink service includes the Route 200 bus service in addition to the ferry service, Clipper would need to be implemented on both bus and ferry modes to provide complete Clipper service to Baylink passengers. SolTrans, the administrator and owner of the Route 200 rolling stock, has not yet implemented Clipper. As such, WETA and MTC have agreed that the future WETA implementation of Clipper for the Baylink ferry service should be scheduled to coincide with Clipper implementation on SolTrans bus services, including Baylink Route 200, to minimize potential systems integration issues.

Implementation Activities, Responsibilities and Costs

As a part of this implementation, Cubic will be responsible for developing the software, procuring the fare collection and network equipment and installing and testing the card readers and network equipment at each terminal site. MTC Clipper staff will be responsible for contract management of this work. The estimated cost of these activities is \$625,500.

WETA will be responsible for the site preparation work required at each of its five terminals where Clipper card reader devices and network equipment will be installed. Staff anticipates issuing a change order with the South San Francisco construction contractor to complete all site preparation work required. WETA's preliminary engineer's estimate for this work is \$330,000.

Operations & Maintenance

Once Clipper is operational, WETA will be responsible for reimbursing both Cubic and MTC for costs associated with operating and maintaining the system at an estimated annual cost of \$153,600. Cubic system maintenance and management work, including program management, testing, help desk functions, asset management and basic operations and administration work, will cost approximately \$67,200 per year. System transaction fees, network costs, and preventative maintenance costs are estimated by MTC to be approximately \$86,400.

END

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
John Sindzinski, Manager, Planning & Development
Michael Gougherty, Planner/Analyst**

SUBJECT: Discussion Regarding Fare Policy Guiding Principles

Recommendation

This is an information item for discussion only.

Background/Discussion

Staff has recently initiated work with Cambridge Systematics, one of WETA's on-call planning consultants, to assist WETA in developing an agency fare policy and structure which will define the types of fare media available (cash, passes, ticket books, stored value smart card, etc.), fare categories (adult, senior, disabled, youth, etc.) and specific fare amounts for WETA services. This work will support the development of a fare program for the South San Francisco service and will guide the development of other new service fares and any future fare changes on existing routes. It is also an essential input to the development of WETA's Clipper program.

As a first step in this process, staff has worked with its consultant to identify a set of guiding principles that are relevant to WETA's services and operating environment and that can serve as the basis for developing the agency fare policy and associated structure. These include:

- **Maximize Farebox Recovery:** The fare structure and system fares should be implemented to, at a minimum, meet farebox recovery ratios required by MTC as a condition of receiving service operating funds. This measure considers fares in relation to the cost to provide services.
- **Hedge Against Operating Cost Inflation:** The fare policy should allow for automatic fare adjustments in the event that there are significant changes in operating costs during the year, such as fuel surcharges.
- **Ensure Maximum Flexibility for Adjustments:** The policy should establish programmatic, periodic reviews of fares, fare structures and the fare policy to provide consistency and predictability in process for the agency and passengers.
- **Specific Objectives for Special Events:** The policy for establishing special event service fares should differ from the policy for regular service in order to take into consideration the value of the special service and the cost of providing this service. For example, many agencies require that revenues for special event services cover the cost of providing these services.

- Maximize Ridership: The policy should develop specific pricing strategies to encourage ridership while maintaining the target minimum farebox recovery. Potential strategies could include deep-discount bulk pass programs, loyalty discounts, or targeted pricing for tourists or groups.
- Accelerate Penetration of Clipper: The policy and structure should promote the use of Clipper fare media to reduce cash handling and increase ridership through ease of use. Incentives to promote the use of Clipper could include fare discounts and interagency transfer discounts, as well as non-Clipper payment disincentives.

Next Steps

Staff will work to develop an agency fare policy and structure based upon these principles for Board consideration in October or November and will develop a fare structure for new South San Francisco service shortly thereafter.

END