



**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**

**BOARD OF DIRECTORS' MEETING**  
*Thursday, October 6, 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](http://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> | <b>Information</b> |
| 2. <u>ROLL CALL/PLEDGE OF ALLEGIANCE</u>                        | <b>Information</b> |
| 3. <u>REPORT OF BOARD CHAIR</u>                                 | <b>Information</b> |
| 4. <u>REPORTS OF DIRECTORS</u>                                  | <b>Information</b> |
| 5. <u>REPORTS OF STAFF</u>                                      | <b>Information</b> |
| a. Executive Director's Report                                  |                    |
| b. Legislative Update   |                    |

**Water Emergency Transportation Authority**  
**October 6, 2011 Meeting of the Board of Directors**

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6. CONSENT CALENDAR **Action**
- a. Minutes September 15, 2011
  - b. Authorize Filing an Application with the Metropolitan Transportation Commission for \$400,000 Regional Measure 2 Capital Funds for Clipper Implementation
7. RECESS INTO CLOSED SESSION
- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**  
Property: Pier 9, Port of San Francisco **To Be Determined**  
Agency Negotiators: Nina Rannells and Melanie Jann,  
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
  - b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**  
Property: Mare Island Maintenance Facility at Building 477 and Building **To Be Determined**  
165 sites, City of Vallejo  
Agency Negotiators: Nina Rannells  
San Francisco Bay Area Water Emergency Transportation Authority  
Negotiating Parties: City of Vallejo  
Under Negotiation: Terms and conditions of the Authority's proposed  
lease
  - c. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION **Action**  
Significant exposure to litigation pursuant to subdivision (b) of **To Be Determined**  
Section 54956.9: one case
8. REPORT OF ACTIVITY IN CLOSED SESSION **Action**  
Chair will report any action taken in closed session that is subject to **To Be Determined**  
reporting at this time. Action may be taken on matters discussed in  
closed session.
9. APPROVE VALLEJO FERRY SERVICE OPERATIONS TRANSFER **Action**  
AGREEMENT
10. PROCESS FOR ESTABLISHING VALLEJO FERRY SYSTEM FARES **Information/Action**
11. AWARD CONTRACT TO BLUE AND GOLD FLEET FOR OPERATION **Action**  
AND MAINTENANCE OF FERRY SERVICES
12. APPROVE AMENDMENT NO. 2 TO AGREEMENT #09-007 WITH KPFF, **Action**  
INC. FOR DESIGN AND ENGINEERING SERVICES FOR THE CENTRAL  
BAY OPERATIONS AND MAINTENANCE FACILITY
13. APPROVE AMENDMENT NO. 1 WITH POWER ENGINEERING FOR **Action**  
CONSTRUCTION OF SOUTH SAN FRANCISCO FERRY TERMINAL
14. AWARD CONSTRUCTION MANAGEMENT CONTRACT FOR BAY **Action**  
BREEZE VESSEL REFURBISHMENT PROJECT

**Water Emergency Transportation Authority**  
**October 6, 2011 Meeting of the Board of Directors**

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15. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

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

**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: October 6, 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 of Vallejo and WETA staff and legal counsel have finalized the Vallejo Transfer Agreement which staff is bringing forward for Board consideration this month.

**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. The steel supports, canopy fabric and windows are being installed on the terminal pier while the ramping system is being placed on the float. 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 was on hold as we awaited 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. Staff has been working with a transportation consultant to develop a scope of work to prepare a parking management plan for the project (a mitigation measure identified in the draft EIS/EIR). On September 23, WETA staff and the project design team met with representatives from the City of Berkeley and the restaurant. The purpose of the

meeting was to discuss the proposed parking plan, identify potential parking issues and discuss preliminary management strategies. Staff will be working with our consultant team to develop the parking management plan and finalize the environmental review documents. Staff will also be working with the Berkeley City Manager's office to agree on roles and responsibilities of WETA and the City as the proposed terminal project moves forward.

**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 complete environmental review of the project under NEPA. The meeting agenda includes an item requesting approval of a contract amendment with KPFF, Inc., the project design team, to undertake additional work needed to advance the project to preliminary and final design.

**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 ABAG, 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 September 19, Nina Rannells attended MTC's Transit Sustainability Project Steering Committee and requested and was granted a seat on the steering committee.

On September 19, Lauren Duran gave a brief overview of WETA's vessels to the Asian Pacific Economic Cooperation's (APEC) Green Ports event held on WETA's vessel, Taurus.

## **OTHER ACTIVITIES / ITEMS**

**America's Cup** – The City of San Francisco will host the 34<sup>th</sup> 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 34<sup>th</sup> 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**

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



**San Francisco Bay Area Water Emergency Transportation Authority**  
**FY 2011/12 Statement of Revenues and Expenses**  
**For Period Ending 08/31/2011**

*% of Year Elapsed*      17.0%

	Current Month	Prior Year Actual	2011/12 Budget	2011/12 Actual	% of Budget
<b>Operating Expenses:</b>					
<b>Planning &amp; General Administration:</b>					
Wages and Fringe Benefits	108,108	1,451,663	1,546,000	225,722	14.6%
Services	40,322	2,712,835	2,199,000	54,968	2.5%
Materials and Supplies	644	32,616	51,000	903	1.8%
Utilities	629	12,032	15,000	958	6.4%
Insurance	(3)	29,767	33,000	6,596	20.0%
Miscellaneous	873	42,390	128,000	3,335	2.6%
Leases and Rentals	23,925	290,944	298,000	48,392	16.2%
<b>Sub-Total Planning &amp; Gen Admin</b>	<b>174,498</b>	<b>4,572,247</b>	<b>4,270,000</b>	<b>340,874</b>	<b>8.0%</b>
<b>Ferry Operation:</b>					
Vessel Operation	319,010		5,117,814	721,526	14.1%
Vessel Maintenance	124,014		1,385,185	236,514	17.1%
Facility Maintenance	3,240		419,144	83,040	19.8%
General & Administration	56,317		151,300	73,209	48.4%
<b>Sub-Total Ferry Operation</b>	<b>502,581</b>	<b>-</b>	<b>7,073,443</b>	<b>1,114,289</b>	<b>15.8%</b>
<b>Total Operating Expenses</b>	<b>677,079</b>	<b>4,572,247</b>	<b>11,343,443</b>	<b>1,455,163</b>	<b>12.8%</b>
<b>Total Capital Expenses</b>	<b>1,522,689</b>	<b>21,835,930</b>	<b>24,392,774</b>	<b>1,566,630</b>	<b>6.4%</b>
<b>Total Expenses</b>	<b>2,199,768</b>	<b>26,408,177</b>	<b>35,736,217</b>	<b>3,021,793</b>	<b>8.5%</b>

**Operating Revenues**

Fare Revenue	310,668		2,982,383	496,542	16.6%
Local - Bridge Toll	338,726	4,572,247	7,782,866	869,721	11.2%
Local - TIF	27,685		500,000	69,352	13.9%
Local - LLAD	-		78,194	19,548	25.0%
<b>Total Operating Revenues</b>	<b>677,079</b>	<b>4,572,247</b>	<b>11,343,443</b>	<b>1,455,163</b>	<b>12.8%</b>
<b>Total Capital Revenues</b>	<b>1,522,689</b>	<b>21,835,930</b>	<b>24,392,774</b>	<b>1,566,630</b>	<b>6.4%</b>
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**San Francisco Bay Area Water Emergency Transportation Authority**  
**FY 2011/12 Statement of Capital Revenues and Expenses**  
**For Period Ending 08/31/2011**

<b>Project Description</b>	<b>Current Month</b>	<b>Project Budget</b>	<b>Prior Year Actual</b>	<b>2011/12 Budget</b>	<b>2011/12 Actual</b>	<b>Future Year</b>	<b>% of Project</b>
<b>Capital Expenses:</b>							
SSF Mitigation Study		275,000	42,459	232,541	-	0	15%
SSF Terminal Construction	1,041,945	26,000,000	15,414,540	10,509,460	1,070,823	76,000	63%
Berkeley Environ/Conceptual Design	5,133	2,304,700	1,785,235	519,465	6,639	-	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	413,727	3,150,000	1,733,540	1,416,460	413,727	-	68%
Environmental Studies/Conceptual Design	5,082	3,250,000	251,465	2,998,535	9,224	-	8%
Central Bay Ops/Maint Fac - Environ/Design	14,910	2,600,000	362,872	2,237,128	19,811	-	15%
Central Bay Ops/Maint Fac - Construction	-	30,000,000	-	130,000	-	29,870,000	0%
Passenger / Emergency Float	1,639	2,500,000	90,000	1,500,000	1,639	910,000	4%
S.F. Berthing - Environ/Conceptual Design	39,752	3,300,000	950,349	1,861,651	44,267	488,000	30%
Vessel Engine Overhaul	-	1,103,564	-	1,103,564	-	-	0%
Vessel Mid-Life Overhaul - Bay Breeze	500	5,015,000	-	515,000	500	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%
<b>Total Capital Expenses</b>	<b>1,522,689</b>	<b>85,102,704</b>	<b>21,835,930</b>	<b>24,392,774</b>	<b>1,566,630</b>	<b>38,874,000</b>	
<b>Capital Revenues:</b>							
Federal	616,540	23,233,404	8,839,892	7,794,447	616,540	6,599,065	41%
State	236,844	42,078,461	4,775,865	9,582,205	250,402	27,720,392	12%
Local - Bridge Toll	237,381	7,616,713	4,497,839	2,433,169	264,467	685,705	63%
Local - San Mateo Sales Tax Measure A	430,185	10,935,686	3,546,535	4,420,314	433,483	2,968,837	36%
Local - Alameda Sales Tax Measure B	1,739	1,238,440	175,800	162,640	1,739	900,000	14%
<b>Total Capital Revenues</b>	<b>1,522,689</b>	<b>85,102,704</b>	<b>21,835,930</b>	<b>24,392,774</b>	<b>1,566,630</b>	<b>38,874,000</b>	

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION  
AUTHORITY**

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

*(September 15, 2011)*

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, Suite 111, San Francisco, CA.

**1. ROLL CALL AND CALL TO ORDER**

Chair Charlene Haught Johnson called the meeting to order at 1:03 p.m. Also present were Vice Chair Tony Intintoli, Director Jerry Bellows and Director Beverly Johnson. Vice Chair Intintoli led the Pledge of Allegiance.

**2. REPORT OF BOARD CHAIR**

None.

Chair Johnson remarked that work was finally being done on the salt flats and mentioned that one of the parties involved had attended earlier WTA Board meetings.

**3. REPORT OF DIRECTORS**

None.

Director Johnson asked about the status of America's Cup issues. Executive Director, Nina Rannells, responded that ~~the~~ WETA was working with the City to identify potential additional ferry service that might be provided and that they were continuing the dialog with the City.

**4. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS**

Public Comment

Antioch City Council Member Gary Agopian introduced himself as a newly elected member of the Antioch City Council replacing Council Member Arne Simonsen and as a liaison between WETA and the City Council.

Council Member Agopian was pleased with the emergency aspects of WETA and thanked WETA for its support and consideration for ferry service to Antioch especially from an economic standpoint, noting Antioch's development plans and view of transit improvements as an enhancement to downtown. He offered his support and indicated that he appreciates WETA's continued study of the potential use of hovercraft and the benefits that hovercraft has to offer and its flexibility in emergency situations.

Public Comment

Charles King, representing EPS Navy System expressed his concern that the URS hovercraft study relied upon information from Griffon Hoverwork.

Mr. King wanted the Board to be aware that EPS Navy System is a hovercraft manufacturer out of Florida, which has built the first of two EPS M10 hovercrafts for Saudi Arabia and feels that the hovercraft would be a good option for the area south of the Dumbarton.

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Executive Director Nina Rannells asked Mr. King if he worked for EPS, and he confirmed that he was a paid contractor. Ms. Rannells asked Mr. King if he knew whether or not the hovercraft was approved by the U.S. Coast Guard for passenger service and he indicated that he did not know, and that she should contact Tom Triumph from EPS Navy System for further information.

#### **5. REPORTS OF STAFF**

Executive Director Nina Rannells indicated that there was a written report included in the packet and noted an update on the Treasure Island project. The Citizens for a Sustainable Treasure Island had recently filed a lawsuit against the City and County of San Francisco alleging CEQA violations.

Ms. Rannells then directed attention to the Pier 9 gangways and floats indicating completion of the project within the next several weeks.

Chair Johnson had further questions relating to the Treasure Island lawsuit. Ms. Rannells noted that the lawsuit was filed since the last WETA Board meeting and that the lawsuit was not against WETA.

WETA legal counsel Stanley Taylor III of Nossaman LLP stated that the group, Citizens for a Sustainable Treasure Island is a group formed by former San Francisco Supervisor, Aaron Peskin. Mr. Taylor explained that one of the issues was that the programmatic EIR was being treated at the project level, which would clear the entire project and that another issue was that the developers failed to analyze traffic impact.

Mr. Taylor believes that the City has not responded but expects the issue to be resolved quickly and settled before trial.

Ms. Rannells stated that environmental and conceptual design work was continuing in Antioch, Hercules, Redwood City and Richmond. She informed the Board that the ridership study that was done over ten years ago was being updated to include recent information from ABAG, and that staff would be meeting with City staffs in the next few weeks to review the preliminary work.

Ms. Rannells reported that the Alameda Oakland Ferry Service will be providing ferry service to Cal football home games being held at AT&T Park this season. She also noted that Ernest Sanchez, Manager of Transportation Services, has been working with Blue & Gold to establish an on-online ticket purchase system for special event services to AT&T Park.

Ms. Rannells announced that parking lot pavement rehabilitation projects had been completed at the Harbor Bay and Main Street parking lots in Alameda in coordination with the City of Alameda Public Works Department.

Mr. Sanchez noted challenges involved in planning and providing sufficient ferry seating capacity for special event services, especially given the popularity of the Giants this year. He noted that under Ms. Rannells' direction, a new reservation system was now available for this Saturday's Cal football game, September 17, against Presbyterian with online ticket purchases provided through Blue & Gold Fleet. He indicated that over 200 tickets had been sold by day two of rolling out the system.

He further stated that tailgating was not allowed at the terminals and that there is a no alcohol policy on the return ferry trip.

#### **Public Comment**

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Port of San Francisco Wharfinger Denise Turner commented that the Port was making Pier 48 available for tailgate parties and providing a large screen for those who weren't able to get tickets to the game.

Concluding her report, Ms. Rannells expressed WETA's intent to recommend award of the RFP for ferry operations at the next meeting pending working through the final details of the award recommendation.

Ms. Rannells then referred the Board to the written Federal Legislative report handout. She noted that the House passed the Federal Transportation bill, which includes an FAA component that covers the first six months of next federal fiscal year. She noted that this extension needed to be approved by the Senate by Friday, September 16, 2011.

#### **6. CONSENT CALENDAR**

Vice Chair Intintoli made a motion to approve the consent calendar which included the minutes from the July 14, 2011 Board of Directors meeting and authorization to execute a pass-through agreement with the City of Vallejo to provide Regional Measure 1 and Regional Measure 2 funds to support the Vallejo Baylink Ferry Service.

Director Bellows seconded the motion and the consent calendar carried unanimously.

#### **7. UPDATE ON WETA CLIPPER IMPLEMENTATION PROJECT**

Planner/Analyst Michael Gougherty presented this item updating the Board on WETA's effort to implement Clipper.

Ms. Rannells commented that MTC had elevated WETA ferries to the front of the line in the implementation process and that Vallejo Baylink in conjunction with SolTrans, the administrator and owner of Route 200 would benefit from the next generation of Clipper.

#### **8. DISCUSSION REGARDING FARE POLICY GUIDING PRINCIPLES**

Mr. Gougherty presented this item updating the Board on staff efforts to develop an agency fare policy.

Vice Chair Intintoli questioned whether the maximization of farebox recovery should be the primary goal and expressed his concern about automatic fare adjustments related to a fuel surcharge or other potentially volatile cost items. He indicated that regular increases to keep fares in line with inflation may be appropriate but that any significant change should be discussed at the Board level first and alternatives considered in order to avoid impact on ridership.

Director Johnson asked whether the principles were listed in order of priority and indicated that she thought that maximizing ridership through pricing or promotions is just as important as maximizing farebox recovery requirements. Mr. Gougherty stated that the principles were not listed in order of priority. Mr. Sanchez noted that MTC has farebox recovery requirements for each system and that an allowance was being made for South San Francisco service giving the service an opportunity to ramp up. Ms. Rannells further explained that the allowance for new service was approximately three years depending upon funding source and that farebox recovery requirements are different for buses and rail and that ferries fall somewhere in between.

Director Johnson stated that riders would drive or bus if a parking fee were implemented. Mr. Gougherty further reported that though parking was free for a long time at BART, BART now charges for parking at lots and the fees vary.

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Ms. Rannells indicated that the Board discussion was helpful in providing staff guidance and noted that staff would likely be in a position to bring forward a draft fare policy for recommendation at the November Board meeting.

**9. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION**

Chair Johnson called the meeting into closed session at 1:59 p.m. Upon reopening of the meeting at 3:09 p.m. she reported that no action had been taken.

**10. ADJOURNMENT**

All business having concluded, the meeting was adjourned at 3:09 p.m.

Respectfully Submitted,

Board Secretary

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MEMORANDUM

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**TO: Board Members**

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

**SUBJECT: Authorize Filing Application with the Metropolitan Transportation Commission for \$400,000 Regional Measure 2 Capital Funds for WETA Clipper Implementation**

**Recommendation**

Staff recommends the Board authorize the Executive Director to file of application, including related certifications, for \$400,000 Regional Measure 2 (RM2) capital funds to support the purchase and installation of Clipper fare collection equipment at 1) Downtown San Francisco Ferry Building (Gate E), and 2) Harbor Bay Ferry Terminal.

**Background**

The Regional Measure 2 (RM2) program includes \$48.0 million for various WETA capital projects including water transit facility improvements. These funds are made available through allocation by the Metropolitan Transportation Commission (MTC). To date, \$27.76 million has been allocated to WETA from this program to support general system planning, environmental studies and construction of spare vessels and the Pier 9 berthing facility.

**Discussion**

WETA is working with Cubic Transportation Systems, Inc. and MTC to implement Clipper on the new South San Francisco ferry service and the existing Alameda/Oakland and Harbor Bay ferry services. The estimated cost to develop Clipper for WETA's ferry system and outfit the following terminals is \$1.0 million.

- 1) South San Francisco
- 2) Main Street in Alameda
- 3) Clay Street in Oakland
- 4) Harbor Bay in Alameda
- 5) Downtown San Francisco Ferry Terminal – Gate E

The funds to support the purchase of Clipper equipment and site preparation work required at the terminals at South San Francisco, Main Street and Clay Street have been secured as part of the South San Francisco Ferry Terminal Construction project. RM2 capital funds are required in the amount of \$400,000 to outfit the terminals at Harbor Bay and Gate E in Downtown San Francisco.

The RM2 fund allocation process established by MTC requires project sponsors to adopt an Initial Project Report (IPR) project application and to certify general program and project conditions in order to secure funds. The IPR related to this project is provided as **Attachment 1** to this report. MTC's RM2 certification requirements encompass both general program and project-specific items such as compliance with MTC's RM2 policies, CEQA compliance and indemnification of MTC from any claims resulting from the project. The full list of certifications and assurances is contained in the Board Resolution associated with this item. These certifications and assurances effectively serve as a part of the contract between WETA and MTC for the requested funds

**Fiscal Impact**

This item is required to secure \$400,000 RM2 capital funds to support the implementation of Clipper at the Harbor Bay and Downtown San Francisco ferry terminals.

\*\*\*END\*\*\*

Regional Measure 2 – INITIAL PROJECT REPORT

## Regional Measure 2 Initial Project Report (IPR)

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**Project Title:**

Water Transit Facilities Improvements and Environmental Review

**RM2 Project No.**

28

**Allocation History:**

	<b>MTC Approval Date</b>	<b>Amount</b>	<b>Phase</b>
<b>#1:</b>	<b>09/22/2004</b>	<b>\$4,700,000</b>	<b>ENV/PA&amp;ED</b>
<b>#2</b>	<b>04/27/2005</b>	<b>\$12,000,000</b>	<b>CON</b>
<b>#3</b>	<b>07/26/2006</b>	<b>\$300,000</b>	<b>ENV/PA&amp;ED</b>
<b>#4</b>	<b>07/26/2006</b>	<b>\$5,000,000</b>	<b>CON</b>
<b>#5</b>	<b>01/24/2007</b>	<b>\$750,000</b>	<b>ENV/PA&amp;ED</b>
<b>#6</b>	<b>03/28/2007</b>	<b>\$575,000</b>	<b>ENV/PA&amp;ED</b>
<b>#7</b>	<b>07/25/2007</b>	<b>\$1,200,000</b>	<b>PSE</b>
<b>#8</b>	<b>07/23/2008</b>	<b>\$500,000</b>	<b>PSE</b>
<b>#9</b>	<b>07/23/2008</b>	<b>\$2,500,000</b>	<b>CON</b>
<b>#10</b>	<b>10/27/2010</b>	<b>\$230,000</b>	<b>ENV/PA&amp;ED</b>

**Total:      \$22,755,000**

**Current Allocation Request:**

<b>IPR Date</b>	<b>Amount Being Requested</b>	<b>Phase Requested</b>
<b>09/28/2011</b>	<b>\$400,000</b>	<b>Construction</b>



## **Regional Measure 2 – INITIAL PROJECT REPORT**

### **I. OVERALL PROJECT INFORMATION**

#### **A. Project Sponsor / Co-sponsor(s) / Implementing Agency**

San Francisco Bay Area Water Emergency Transportation Authority (WETA)

#### **B. Project Purpose**

The purpose of this project is to replace legacy fare collection systems at WETA's San Francisco and Alameda Harbor Bay ferry terminals with Clipper.

#### **C. Project Description (please provide details)**

##### **Project Graphics to be sent electronically with This Application**

This project includes the purchase of Clipper equipment and associated software to support Clipper fare collection at the Downtown San Francisco and Alameda Harbor Bay ferry terminals via a Clipper Contract Change Order administered by MTC. This project also includes site preparation work provided by contractor via contract with WETA.

#### **D. Impediments to Project Completion**

None

#### **E. Operability**

Implementation of Clipper will take approximately six months. Annual cost associated with operating and maintaining the system is estimated to be \$153,600 and will be included in WETA's annual operating budget.

### **II. PROJECT PHASE DESCRIPTION and STATUS**

#### **F. Environmental – None**

Does NEPA Apply:  Yes  No

#### **G. Design – None**

#### **H. Right-of-Way Activities / Acquisition – None**

#### **I. Construction / Vehicle Acquisition / Operating Service –**

WETA is working with Cubic Transportation Systems, Inc. and MTC to implement Clipper on the new South San Francisco ferry service and the existing Alameda/Oakland and Harbor Bay ferry services. The estimated cost to outfit the following terminals is \$1 million: a) South San Francisco, b) Main Street in Alameda, c) Clay Street in Oakland, d) Harbor Bay in Alameda, and e) Downtown San Francisco Ferry Terminal – Gate E. Funds to support the purchase of Clipper equipment and site preparation work required at the terminals at South San Francisco, Main Street and Clay Street have been secured as part of the South San Francisco Ferry Terminal Construction project. \$400,000 in RM2 capital funds is requested to outfit the terminals at Harbor Bay and Gate E in Downtown San Francisco. Implementation will take approximately six months.

**Regional Measure 2 – INITIAL PROJECT REPORT**

**III. PROJECT BUDGET**

**J. Project Budget (Escalated to year of expenditure)**

<b>Phase</b>	<b>Total Amount - Escalated - (Thousands)</b>
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	
Design - Plans, Specifications and Estimates (PS&E)	
Right-of-Way Activities /Acquisition (R/W)	
Construction / Rolling Stock Acquisition (CON)	\$400,000
Total Project Budget (in thousands)	\$400,000

**K. Project Budget (De-escalated to current year)**

<b>Phase</b>	<b>Total Amount - De-escalated - (Thousands)</b>
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	
Design - Plans, Specifications and Estimates (PS&E)	
Right-of-Way Activities /Acquisition (R/W)	
Construction / Rolling Stock Acquisition (CON)	\$400,000
Total Project Budget (in thousands)	\$400,000

**L. Project Budget – Deliverable Segment (Escalated to year of expenditure)**

<b>Phase</b>	<b>Total Amount - Escalated - (Thousands)</b>
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	
Design - Plans, Specifications and Estimates (PS&E)	
Right-of-Way Activities /Acquisition (R/W)	
Construction / Rolling Stock Acquisition (CON)	\$400,000
Total Project Budget (in thousands)	\$400,000

**M. Project Budget – Deliverable Segment(De-escalated to current year)**

<b>Phase</b>	<b>Total Amount - De-escalated - (Thousands)</b>
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	
Design - Plans, Specifications and Estimates (PS&E)	
Right-of-Way Activities /Acquisition (R/W)	
Construction / Rolling Stock Acquisition (CON)	\$400,000
Total Project Budget (in thousands)	\$400,000

**Regional Measure 2 – INITIAL PROJECT REPORT**

**IV. OVERALL PROJECT SCHEDULE**

Phase-Milestone	Planned (Update as needed)	
	Start Date	Completion Date
Environmental Document		
Environmental Studies, Preliminary Eng. (ENV / PE / PA&ED)		
Final Design - Plans, Specs. & Estimates (PS&E)		
Right-of-Way Activities /Acquisition (R/W)		
Construction (Begin – Open for Use) / Acquisition / Operating Service (CON)	09/30/2011	03/31/2011

**V. ALLOCATION REQUEST INFORMATION**

**N. Detailed Description of Allocation Request**

**Describe the scope of the allocation request. Provide background and other details as necessary.**

This request will provide funding necessary to design, installation, testing, training and support for the supplied hardware and software of Clipper equipment. This request will also support the permitting, design and installation of Clipper system power and communications infrastructure at the Downtown San Francisco and Harbor Bay ferry terminals.

Amount being requested (in escalated dollars)	\$400,000
Project Phase being requested	Construction
Are there other fund sources involved in this phase?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of anticipated Implementing Agency Board approval the RM2 IPR Resolution for the allocation being requested	10/06/2011
Month/year being requested for MTC Commission approval of allocation	10/2011

**O. Status of Previous Allocations (if any) – N/A**

**P. Workplan**

Workplan in Alternate Format Enclosed

TASK NO	Description	Deliverables	Completion Date
1	Purchase and Installation of Clipper Equipment	Operational Clipper Fare Collection System	03/31/2011

## Regional Measure 2 – INITIAL PROJECT REPORT

### **Q. Impediments to Allocation Implementation**

None

### **VI. RM-2 FUNDING INFORMATION**

#### **R. RM-2 Funding Expenditures for funds being allocated**

The companion Microsoft Excel Project Funding Spreadsheet to this IPR is included

#### **S. Next Anticipated RM2 Allocation Request.**

None

### **VII. GOVERNING BOARD ACTION**

Check the box that applies:

Governing Board Resolution attached

Governing Board Resolution to be provided on or before: 10/07/2011

### **VIII. CONTACT / PREPARATION INFORMATION**

#### **Contact for Applicant's Agency**

Name: Lynne Yu

Phone: (415) 364-3193

Title: Finance & Grants Manager

E-mail: yu@watertransit.org

Address: Pier 9, Suite 111

San Francisco, CA 94111

#### **Information on Person Preparing IPR**

Name: Lynne Yu

Phone: (415) 364-3193

Title: Finance & Grants Manager

E-mail: yu@watertransit.org

Address: Pier 9, Suite 111

San Francisco, CA 94111

#### **Applicant Agency's Accounting Contact**

Name: Lynne Yu

Phone: (415) 364-3193

Title: Finance & Grants Manager

E-mail: yu@watertransit.org

Address: Pier 9, Suite 111

San Francisco, CA 94111





**RM-2 Initial Project Report**

**EXPENDITURES TO-DATE BY PHASE AND FUND SOURCES**

Phase	Fund Source	Date of Last Expenditure	Amount Expended to date (Thousands)	Available Balance Remaining (Thousands)
ENV / PA&ED	RM2	8/31/2011	6,354	201
	Federal	7/31/2011	824	1,676
	Prop 1B	8/31/2011	255	370
PS&E	RM2	8/31/2011	769	931
R/W			-	-
CON / Operating	RM2	8/31/2011	17,755	1,745
	Prop 1B	8/31/2011	6,564	10,652
	Federal	8/31/2011	14,982	2,217
Total to date (in thousands)			41,149	17,792

As required by RM-2 Legislation, provide funds expended to date for the total project. Provide both expenditure by Fund Source and Expenditure by Phase, with the date of the last expenditure, and any available balance remaining to be expended.

Project ID: 28  
Date: 9/28/2011

**RM-2 Initial Project Report**

**RM-2 FUNDING CASH FLOW PLAN For Allocation  
(RM-2 Allocation Funding Only)**

(Amounts Escalated in Thousands)

Project Title: Water Transit Facilities Improvements and Environmental Review											Project ID: <b>28</b>			
Agency: San Francisco Water Emergency Transportation Authority											Plan Date: 09/28/11			
<b>RM-2 CASH FLOW PLAN</b>														
RM-2 Expenditures	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future	TOTAL	
ENV/PA&ED								201					201	
PS&E								931					931	
R/W														
CON								1,745					1,745	
	Prior	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future	TOTAL
<b>RM-2 CASH FLOW PLAN TOTAL</b>														
									2,877					2,877

Comments:

Provide the expected RM-2 expenditures – by phase and year. (This is the amount of the allocation needed for that fiscal year to cover expenditures through June 30th of that fiscal year).

Enter RM-2 amounts in thousands and escalated to the year of funding. The total amount cannot exceed the amount identified in the RM-2 legislation.

Eligible Phases: ENV (or PA&ED), PS&E, R/W or CON. For planning activities use ENV. For Vehicles, Equipment or Operating use CON. OK to use CT R/W SUP or CT CON SUP for Caltrans support, but not necessary (optional).



## Regional Measure 2 Program Estimated Budget Plan

Please complete this form based the proposed allocation for your project. The scope should be consistent with the funding you are requesting the MTC allocate. Projects with complementary fund sources, should list the estimated cost of the entire work scope. Note that this information may not only represent the RM2 funding. A separate EBP needs to be completed for each allocation request or each phase of such request.

TITLE OF PROJECT  Water Transit Facilities Improvements and Evironmental Review	RM2 Legislation ID (and project subelements if any)  28
NAME AND ADDRESS OF IMPLEMENTING AGENCY  <b>San Francisco Bay Area Water Emergency Transportation Authority</b> Pier 9, Suite 111 San Francisco, CA 94111	

DETAIL DESCRIPTION	ESTIMATED HOURS	RATE/HOUR	TOTAL ESTIMATED COST (Dollars)
<b>1. DIRECT LABOR of Implementing Agency (Specify by name &amp; job function)</b>			
			0
			0
			0
			0
			0
TOTAL DIRECT LABOR			0
<b>2. OVERHEAD &amp; DIRECT BENEFITS (Specify)</b>			
	RATE	X BASE	
Overhead		0	
Direct Benefit		0	
TOTAL DIRECT CAPITAL COSTS			0
<b>4. CONSULTANTS (Identify purpose and or consultant)</b>			
MTC - via Cooperative Agreement for Cubic Change Order			175,000
Contractor (tbd) - installation of Clipper system power & communications infrastructure			225,000
TOTAL CONSULTANTS			400,000
<b>5. OTHER DIRECT COSTS (Specify - explain costs, if any)</b>			
TOTAL OTHER DIRECT COSTS			
<b>6. TOTAL ESTIMATED COST</b>			<b>400,000</b>

Comments:

Date: 9/28/2011

MEMORANDUM

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**TO: Board Members**

**FROM: Nina Rannells, Executive Director**

**SUBJECT: Approve Vallejo Ferry Service Operations Transfer Agreement**

**Recommendation**

Approve, by resolution, the transition of the Vallejo Baylink Ferry Service from the City of Vallejo ("City") to the San Francisco Bay Area Water Emergency Transportation Authority ("Authority") (the "Transition"), approve the Ferry Service Operations Transfer Agreement substantially in the form presented by the Authority staff; and authorize the Executive Director to complete negotiations and make such modifications to the Ferry Service Operations Transfer Agreement as are necessary and appropriate to reflect the terms and conditions of the Transition described herein, execute the final form of Ferry Service Operations Transfer Agreement, and take all other steps and execute all other documents as are necessary to achieve the Closing of the Ferry Service Operations Transfer Agreement and to implement the Transition.

Find that the acquisition by Authority of the City's ferry vessels and related facilities currently used by City to provide the Vallejo Baylink Ferry Service from the Vallejo Ferry Terminal in Vallejo to the San Francisco Ferry Building at the Port of San Francisco is exempt from the requirements of the California Environmental Quality Act. 14 Cal.Code.Reg. §§ 15301; 15061(b)(3). The acquisition provides for continued operation of the existing ferry vessels and waterside facilities under the management of Authority, and continued operation of City's landside ferry terminal assets by City. No changes to the environment will occur as a result of the acquisition. Authorize the Executive Director to record a Notice of Exemption in the Official Records of Solano County.

**Background**

Authority was established pursuant to California Senate Bill 976, as amended by Senate Bill 1093, codified as the San Francisco Bay Area Water Emergency Transportation Response and Disaster Recovery Act, California Government Code sections 66540 et seq. (as so amended, "Act") which authorizes the consolidation of San Francisco regional ferry services.

The Act authorized implementation of the Transition through the transfer and lease (or alternative property rights transfer arrangements) to Authority of City's assets used in operating the Vallejo Baylink Ferry Service.

In furtherance of the Transition, Authority approved a Transition Plan in June 2009, which received input from City and other relevant agencies.

Since adoption of the Transition Plan, Authority and City have refined the proposed approach to the Transition to provide for direct transfer of certain personal property and assignment of certain rights and obligations from City to Authority, a long term lease of the ferry ticket office in City's ferry terminal building, and a long term lease of certain ferry maintenance facilities on Mare Island.

Authority staff has negotiated a Ferry Service Operations Transfer Agreement among the Authority and City to set forth their mutual agreement with respect to the terms and conditions pursuant to which Authority will acquire certain assets, rights and obligations from City, and memorializing other rights and obligations of the parties necessary to implement the Transition (the "Transition Agreement"), including a lease for the ferry ticket office from City pursuant to a Ferry Building Lease and the sublease of the Mare Island ferry maintenance facility from City pursuant to a Mare Island Maintenance Facility Sublease.

Upon execution of the Transition Agreement, the parties will open an escrow and proceed to complete due diligence and obtain all required approvals and consents in connection with the Transition. Authority staff will also undertake other administrative tasks reasonably prudent and necessary to be completed prior to the Authority's commencement of operation of the Vallejo Baylink Ferry Service, including but not necessarily limited to, development and presentation to the Board of an operating budget and fare structure for the ferry service, and procurement of necessary insurance policies. Authority staff intends to bring such matters to the Board for approval prior to Closing the Transition. Authority will also complete negotiation of an agreement with SolTrans for provision of Route 200 bus service and certain other ancillary services necessary and convenient to operation of the Service, including but not necessarily limited to provision of all aspects of ticketing services and certain security services for the safety and convenience of ferry patrons.

Upon satisfaction of the conditions precedent to Closing set forth in the Transition Agreement, the escrow holder will be directed to make such filings, and to distribute funds and documents in escrow, as are necessary to complete the Transition. The Transition Agreement provides for Closing to occur within five days of satisfaction of all conditions to Closing (not later than June 30, 2012), although staff hopes to complete the service transfer well in advance of that date.

The Ferry Service Operations Transfer Agreement is an activity covered by the general rule that the California Environmental Quality Act ("CEQA") applies only to projects which have the potential for causing a significant effect on the environment and, therefore, is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines, and Authority and/or City, as the Lead Agency, will file a Notice of Exemption pursuant to Section 15062 of the CEQA Guidelines, following approval of the Ferry Service Operations Transfer Agreement.

### **Discussion**

Consistent with the direction of the Act, Authority has reached an agreement with City on the terms for the Transition. If approved by the Board, the Transition will occur within five days of satisfaction of all conditions to Closing, not later than June 30, 2012.

City and Authority staffs have agreed upon the following basic structure and terms for the Transition, which are largely consistent with the Alameda service transition with the exception of certain property lease agreements related to Ferry Terminal and Ferry Maintenance facilities:

#### **A. Disposition of Assets:**

1. Vessels: City will assign to Authority City's title and interest in ferry vessels used in the Vallejo Ferry Service (Solano, Vallejo, Intintoli & Mare Island) in their "as-is" condition. It is anticipated that at the time of transfer the Mare Island ferry vessel will be at a shipyard undergoing certain repairs associated with a midlife repower project, and WETA will take assignment of the repower contract and complete the project as part of the Transition.

2. Waterside Assets: City will assign to Authority the Waterside Assets associated with the Vallejo Ferry Terminal, including pilings, anchors, passenger ramps, passenger gates, ramp awnings and the related gangways used in connection with operation of the Service, (ii) the piling supported platform used during dredging, the floats used in connection with the Service, and (iii) all docks, floats, dolphins and all other waterside assets of the Service all located below the top of the San Francisco Bay shoreline embankment as of the Effective Date of the Transition Agreement. Waterside Assets located or to be located at the Mare Island ferry maintenance facility will be separately assigned to WETA upon the Notice of Completion Date(s) for the various components of the project.
  
3. Landside Ferry Terminal Assets: City will retain its interests in the ferry terminal building and surrounding landside areas, including the restrooms, ticket sales office, lights, and landscaping. City will continue to manage and maintain such landside ferry terminal facilities consistent with current practices. Authority and City will enter into a long term Ferry Building Lease of 66 years (or such lesser period of time as Authority continues to use the Vallejo Ferry Terminal for the Vallejo Ferry Service) for Authority's use of the ticket sales office, installation of automated ticket machines, and ferry passengers' access to the Ferry Building common areas, including the restrooms and waiting area. Other than the Ferry Building Lease, Authority will not acquire any real estate interest in the Landside Ferry Terminal Assets, but Authority will have the right to request that City make improvements in facility service levels or additional unscheduled maintenance and repairs.
  
4. Parking Lots/Structure: City is in the process of completing a Parking Structure intended to replace all surface and on-street parking currently used for ferry parking. The Parking Structure is scheduled to be complete in 2012. Prior to completion of the Parking Structure, City will continue to provide at least 1,200 free parking spaces in current City-owned surface lots for ferry patron use. Upon completion of Phase 1 of the Parking Structure, City will continue to make sufficient parking (not to exceed 1,200 spaces) available for ferry patrons. City anticipates that approximately 700 of such spaces will be in the new Parking Structure, with the balance (up to 500) in adjacent paved surface lots. Once Phase 1 is complete and available for ferry patron parking, City intends to implement a Parking Management Plan and Parking Access Revenue Control System Plan, potentially restricting ferry patron parking to Phase 1 of the Parking Structure and designated surface parking lots in the vicinity of the Parking Structure. Upon completion of Phase 2 of the Parking Structure, City will make (not to exceed) 1,200 spaces in the Parking Structure available for ferry patrons. City will be solely responsible for operating and maintaining the Parking Structure, at City's sole cost and expense. City reserves right to charge patrons a fee for parking in the Parking Structure to recover operation, maintenance and capitalized maintenance costs. However, City and Authority staffs share the concern that charging for parking could be a disincentive for ferry ridership, and City agrees to notify Authority of implementation or changes in parking fees, and to work together with Authority to identify options to charging for parking.
  
5. Exclusive Landing and Mooring Rights: City will grant Authority exclusive landing and mooring rights as required to conduct Vallejo Ferry Service operations subject to certain rights of the City to permit other uses in the event of significant service level reductions.

6. Vehicles, Equipment, and Machinery: City will transfer to Authority any Service vehicles (excluding buses), Equipment, Machinery owned by city and used in connection with the operation, maintenance and repair of the vessels, waterside assets and/or maintenance facilities.
7. Other Personal Property: City will assign other personal property to Authority, such as Books and Records, account balances at the Closing, and any proprietary data.  
  
Spare Parts: City will transfer to Authority spare parts used in connection with the operation, maintenance and repair of the vessels, vehicles or any other assets used in connection with the Service.
9. Contracts: Certain contracts and contract rights required to continue service will be assigned to Authority, including, but not limited to the Blue & Gold Operating Agreement, the Fast Ferry Management system management contract and certain grant agreements required to support the services and system assets.
10. Ferry Maintenance Facilities: Authority will obtain rights to the exclusive use and occupancy of the current Mare Island Ferry Maintenance Facility at building 477, through a sublease of City's lease of the current Ferry Maintenance Facility from Lennar Mare Island, LLC ("LMI"). Prior to Closing, City and LMI will enter into a new lease agreement that will provide, in material part, that City will construct certain new ferry maintenance facilities, including a refueling facility, ferry maintenance facility, warehouse, and ferry berth improvements in the Permanent Ferry Facility Area described in such new lease. Subject to certain conditions to be set forth in that, on the sooner to occur of December 31, 2013 or when the new ferry maintenance facilities are available, Authority's right to use building 477 will terminate, and ferry maintenance operations will be relocated to the new ferry maintenance facilities at the Permanent Ferry Facility Area. LMI will transfer to City the fee interest in the Permanent Ferry Facility Area upon the satisfaction of certain conditions, whereupon the sublease of the Permanent Ferry Facility Area between City and WETA will be replaced with a lease on substantially the same terms and conditions as the sublease.
11. Bus Service Contract: Authority will operate Route 200 bus service, at levels determined by Authority to be necessary to complement ferry schedules, through a separate contract with SolTrans. It is a condition to Closing for the benefit of both parties that Authority and Soltrans shall have entered into the Bus Service Contract providing: (1) for Route 200 service costs to be allocated in accordance with a cost allocation plan consistent with the county-wide cost allocation plan for regional routes; (2) for Authority to have the right to review and approve the costs allocation plan each year with the annual budget for Route 200, (3) for Soltrans to conduct an evaluation of bus services, including consideration for options for coordinating Route 80 intercounty bus services to complement Authority ferry and Route 200 services as necessary to provide efficient and effective trans-bay transportation services to Solano County; (4) for Authority to be responsible for ticket production at Authority's cost; and (5) for the Route 200 bus service contracted operator to conduct all aspects of ticketing operations, consistent with existing City practice through the current bus operator contract, until such time Authority elects to use an alternative arrangement. It is anticipated that the Bus Service Contract may include Soltrans' provision of

certain ancillary services, such as security guard service for the benefit of ferry patrons at the Vallejo Ferry Terminal, and fuel supply, on an actual cost pass through basis.

12. Grant Funds: City and Authority have or will have pass through agreements in place to ensure funds previously secured by Authority or City will continue to be accessible to the Service and to the capital projects currently underway including the FY2011/12 Maintenance Dredging project, Vessel Repower project, and Ferry Maintenance Facility project.
13. Federal Asset Transfers: The Federal Transit Administration (FTA) allows for the transfer of federally funded assets from one eligible grantee to another pursuant to the guidelines set forth in FTA Circular 5010.1D. As a part of this transaction, ferry vessels and other eligible FTA funded assets required to support the operation of City ferry services will be transferred to Authority. In accepting transfer of these assets, Authority must acknowledge that these assets are: (a) required to operate the service; (b) will be maintained in accordance and in compliance with FTA and U.S. Coast Guard requirements; and (c) will be included in Authority's equipment inventory.
14. Development Agreements: All parking facilities and areas are located in the City's Marina Vista Redevelopment Area. Subject to the rights of Authority established by the Transition Agreement, City and/or Agency will retain all rights to use and/or redevelop such areas consistent with the Waterfront Plan. Authority's rights shall be subject to pre-existing Disposition and Development Agreements, including future amendments to such agreements, provided that such plans do not negatively impact any rights of Authority.

**B. Continuing Capital Projects:**

The agreement provides for shared responsibilities between Authority and City to complete three system capital projects currently underway as follows:

1. FY2011/12 Maintenance Dredging: The project involves maintenance dredging of approximately 10,300 cubic yards (cy) of sediment. The project is currently awarded and underway and is anticipated to be completed this calendar year. City is the project manager and the Public Works Department provides construction management services. Authority secured \$836,000 in federal funds and \$209,000 in Regional Measure 1-2% funds for the project, and City and Authority executed a pass through agreement on July 27, 2011 for the City's use of these funds on this project. Completion of this Project is a condition to Closing.
2. Vessel Repower Project: Two ferry vessels used in the Service, M/V Intintoli and M/V Mare Island, have reached their economic mid-life and require repowering to meet upcoming California Air Resources Board requirements. City has entered into contracts for repower of these vessels, and the projects are currently in progress. The scope of work includes procurement of main propulsion machinery and shipyard work to carry out the full repower. For each vessel, all propulsion and vessel systems will be renewed, the passenger cabins will be rehabilitated, the entire vessel will be repainted, and all vessel electronics and navigation equipment will be upgraded. The Intintoli repower started in January

2011 and is scheduled to be completed in October 2011. The Mare Island repower is scheduled to start in November 2011 and be completed in June 2012.

Upon transfer of the Service, Authority will become the Project Manager for the Repower Project, and the Repower Contract will be transferred to Authority. The remaining balance of unexpended Grant funds will be transferred or passed through to Authority to pay for the remaining project work.

3. Ferry Maintenance Facility: This project plans, designs, engineers, permits and builds a new ferry maintenance facility to serve the current and future needs of Vallejo ferry operations. Phase 1 consists of installation of a 48,000 gallon fuel facility, utility improvements, site improvements, and security installations. Phase 2 consists of all waterfront infrastructure (floats, gangways, pilings, berths, etc.), demolition of Building 855, relocation of temporary offices to the site, and construction of a new warehouse to serve as a temporary maintenance shop. Upon completion of Phases 1 & 2, ferry operations will relocate to the project site. Phase 3 will be the rehabilitation of Building 165 for office and permanent maintenance shop space. The current project schedule indicates that Phase 1 and Phase 2 construction will start in December 2011 and complete in December 2012. Phase 3 design and engineering work will commence once full funding is realized for this phase.

City will remain project manager for Phases 1 and 2. Authority will provide \$5 million Prop1B funds to City on a pass-through basis for Phase 2 work. City will retain and manage the balance of project grants. City and Authority will agree upon the project lead for Phase 3. Authority will be responsible for seeking Phase 3 funding.

C. Financial Consideration:

1. Authority will not pay any cash consideration to City for transfer of the Vessels, the Waterside Assets, other personal property or assignment of contracts and grants.
2. Authority will pay market rate rent (\$1.55 per sq ft, increased annually based on percentage change of SF-Oakland CPI) for lease of the ticket sales office in the Vallejo Ferry Terminal. The initial leased space is approximately 418 square feet, and is subject to reduction by WETA in order to accommodate potential future automation. Authority will pay 50% of the common area maintenance fees (CAM) of the ferry terminal building, in consideration for ferry patron's access to restrooms and passenger waiting areas. City and Authority will agree upon projected CAM charges annually in advance through an annual budget process. A pro-forma of CAM charges for fiscal year 2011/12 estimates CAM charges of \$46,620.
3. Authority will not pay base rent under the ferry maintenance facility sublease/lease, but will pay City's Share of all taxes and assessments, including, without limitation, the Community Facilities District ("CFD") special taxes, including the CFD 2002-1 special tax, and any future CFD special tax(es), attributable to the Ferry Facilities (collectively, "Current and Future Taxes"). "City's Share" will be determined by LMI based upon the ferry maintenance facility's rentable square footage as a fraction of the relevant property

4. Until such time as Phase 1 of the Parking Structure is complete and available for ferry patron use, Authority will reimburse City for the City's actual out-of-pocket cost of maintaining the existing City-owned surface parking lots including such items as general maintenance, sweeping services, lighting and landscaping, consistent with costs currently allocated by City to the Services. Authority and City will agree in advance upon an annual budget for such costs.
5. City will be responsible for maintenance and operations costs associated with the new City Parking Structure.
6. Authority will reimburse City for costs incurred by City for ongoing grant administration until grant funded projects are completed. Authority and City will agree in advance upon an annual budget for such costs.
7. Authority will enter into separate contract for operation of regularly scheduled Route 200 service, back up bus service, and ticketing operations with Soltrans. Route 200 service costs to be allocated in accordance with a cost allocation plan that is generally consistent with the county-wide cost allocation plan for regional routes, and Authority will review and approve costs allocation plan each year with annual budget for Route 200. It is anticipated that the Bus Service Contract may include Soltrans' provision of certain ancillary services, such as security guard service for the benefit of ferry patrons at the Vallejo Ferry Terminal, and fuel supply, on an actual cost pass through basis.

**D. Service Level Commitment.**

1. Efforts to Maintain Service Level: Authority will use its best efforts to maintain and operate the Service at a level consistent with that established as a result of the fiscal year 2011/12 budgetary process and approved by the City on April 12, 2011 ("2011/12 Service Level") over time. As a part of its annual budget development process, or as operating conditions change over time, WETA shall review the Service in light of Changed Conditions (increases in system operating costs, and drops in ridership levels), and in the context of its other existing regional ferry services, to determine whether the Service Level (fiscal year 2011/12 Service Level or such modified Service Level established for any subsequent fiscal year in accordance with the process for changes in Service Level set forth in the Agreement meets ridership demand and is financially sustainable.
2. Adjustment of Service Levels: Before the South San Francisco and Berkeley (or the next new Authority service to become operational after South San Francisco, excluding additions to the scheduled service for South San Francisco, Alameda and/or Oakland) expansion services are operational, the 2011/12 Service Level shall not be reduced except due to Changed Conditions. In the event that such Changed Conditions require a service change, WETA shall advise City that Authority intends to consider a Service Level reduction at least 30 days prior to implementing Authority's public process to propose a reduction in Service Level and, as necessary and/or upon request, shall meet and confer with City and other transit funding partners, as applicable, to identify ways to try to preserve the Service Level. Service Level reductions shall be considered equitably in the context of Authority's other regional ferry services.



**E. Regional Funding Commitment.**

1. Authority shall contribute 48.6% of total annual RM1-5% ferry operating revenues allocated to Authority (or an equivalent amount from an alternative regional source) to support annual operation of the Service. These funds will be made available subject to the Service meeting regional performance criteria and allocation by MTC on an annual basis.
2. Authority shall continue to commit at least \$2.7 million RM-2 funds originally included in RM-2 for Vallejo service expansion and historically made available to support the annual operation of the Service, as necessary to support the Service Level commitment. These funds will be made available subject to the Service meeting regional performance criteria and allocation by MTC on an annual basis.
3. Authority will work to secure new funding for the Services and any contemplated service expansion as new or expanded funding becomes available.

**F. Capital Funding Commitments**

1. Authority shall fund ongoing maintenance, rehabilitation, and purchase or replacement of Waterside Assets (vessels, floats, etc.) as needed utilizing RM1-2% (restricted to capital projects), RM2, state, federal, or other funds secured by Authority for that purpose.
2. Authority will secure and continue to utilize Regional Measure 1 Bridge Toll (2% Northern Bridge funds to support the ongoing capital needs of the Service (excluding buses).
3. Authority will work with MTC, STA, SolTrans, and any other eligible fund recipients in this urbanized area to secure a portion of Vallejo Urbanized Area FTA 5307 Funds (currently proposed by STA to be \$250,000 annually) to support capital needs for the Services, consistent with regional policies governing such funds. If all near term capital needs are sufficiently met and funding is needed for maintenance or operation of the Services, Authority will work within regional guideline to use these funds to support operations.
4. Authority will work with MTC and other eligible recipients of the San Francisco/Oakland Urbanized Area FTA 5307 and 5309 Funds to secure a portion of these funds to support capital needs for the Services, consistent with regional policies governing such funds. If all near term capital needs are sufficiently met and funding is needed for maintenance or operation of the Services, Authority will work within regional guidelines to use these funds to support operations.

**G. Other Funding Commitments:**

1. City shall support Authority's efforts in seeking new sources of capital or operating funds for waterside and landside assets.
2. Authority shall support City's efforts in seeking capital and/or operating funds for the Vallejo Ferry Terminal Building and surrounding area and the Phase 2 Parking Structure provided that requested funding does not reduce funds

allocated or available to Authority, and that such funding does not otherwise negatively impact capital and operating funding for Authority's operations.

3. Authority may implement periodic fare increases.
4. Authority shall use all ferry farebox revenues, charter revenues, vessel advertising revenues and concession revenues generated by the Services to exclusively support the Services.

H. Assignment and Assumption of Liabilities; Insurance.

1. Liabilities. City shall retain known and unknown tort liabilities existing with respect to the Service, the ferry terminal and the maintenance facility prior to the Closing. Authority shall assume City's liabilities with respect to contracts related to the Service for payments owing with respect to such contracts prior to the Closing but not becoming due and payable until after the Closing, except for payment obligations under contractual indemnities for tort liabilities. Authority will indemnify City against claims arising with respect to Authority's ownership, operation, maintenance or management of the Service accruing on or after Closing, including willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, or activities giving rise to strict liability of Authority or any Authority Parties, except to the extent caused or contributed to by the fraud, gross negligence or willful misconduct of any Indemnitee, or directly related to or contributed to by an Excluded Liability. Excluded liabilities include, among other matters, environmental conditions unless City proves the condition is caused by WETA, any obligation arising under or with respect to a collective bargaining agreement or labor protection agreement to which WETA is not a party except as expressly agreed by Authority, and any liability of City arising out of City's operation and maintenance of the City's Landside Assets, except to the extent resulting from WETA's negligent act or omission in operation of the Service or as otherwise provided under the Ferry Building Lease, the Ferry Facility Lease, the Ferry Facility Sublease, or the Bus Contract. WETA further indemnifies City against labor claims that may be alleged to arise as a result of the Transition or the City's 2011/12 service schedule modifications.
2. Insurance. The Transition Agreement sets forth detailed insurance requirements. Generally, insurance for operation of the Services, and with respect to waterside facilities, will be provided by Authority's operating contractors (presently Blue & Gold). The operators shall name both Authority and City as additional insureds on such policies with respect to the waterside operations. Authority will procure Comprehensive General Liability Insurance with respect to landside operations covering legal liability for personal injury, bodily injury, death or property damage which may arise out of or be related to Waterside Assets or operation of the Service. Authority may, but shall not be required, to afford the Additional Insureds coverage (except under the Protection and Indemnity Insurance required pursuant to Section 9.1(a)(iv), above) with respect to the Landside Assets except with respect to insurance required pursuant to the Ferry Building Lease, the Ferry Facility Sublease, the Ferry Facility Lease and the Navy Lease.

I. Additional Authority Agreements.

1. Authority shall actively market the Services on an ongoing basis consistent with its efforts for other system services and shall coordinate these marketing efforts with City, STA, SolTrans and other agencies as applicable.
2. If the Service is No Longer Operated then Authority and City shall negotiate in good faith to provide City, or City's designee, with the opportunity to acquire or reacquire the assets of the Service, on substantially the same or materially similar terms and conditions on which it was originally transitioned from City to Authority or otherwise acquired by Authority as applicable. Generally the Service is "No Longer Operated" if the Service has been terminated or has been or will be suspended for a period of more than one hundred eighty (180) calendar days or such longer period to which City and WETA may agree in writing, with broad exceptions if the Service is suspended for reasons outside Authority's control including if Authority is prevented from using the ferry maintenance facility because of City's inability to complete the ferry maintenance facility project in a timely manner. Additionally, if Authority adopts a formal schedule change that reduces the Service Level below six (6) daily round trips for any reason that is unexcused by the terms of the Agreement, City will have the option, upon not fewer than sixty (60) days prior written notice to WETA, to convert WETA's exclusive landing and mooring rights to a nonexclusive right, and to permit additional uses of the ferry landing by one or more third party vessel operators, Third party use will be subject to an agreement that provides Authority adequate protection from liability for third party use, and allocates a fair share of costs to such third party.
3. Authority will work with SolTrans and other connecting transit services to develop a mutually acceptable transfer policy. Authority will continue to work in good faith with MTC to implement Clipper card technology on Authority's regional ferry system.
4. Authority will reasonably cooperate with and participate in regularly scheduled and/or focused planning sessions with City, STA, SolTrans, MTC and other relevant transit agencies that may be scheduled to address and coordinate regional transit needs and services.
5. No city employees will be offered employment by Authority.
6. Authority will make available for City's review information reasonably requested by City regarding the Service, and annually upon request make an informational presentation regarding the Service to City.
7. Authority will implement reasonable practices designed to measure and assure customer satisfaction, such as establishing a ferry rider advisory committee and conducting periodic customer satisfaction surveys.
8. Subject to funding availability, City will continue to make bicycle lockers available to ferry patrons.

J. Process.

1. Escrow. Upon execution of the Transition Agreement, the parties will enter into an escrow agreement and deposit the executed Transition Agreement into the escrow. Additional documents, such as consents to assignment, estoppel certificates, certificates

of title, and the like will be delivered to escrow as received by the parties. The Transaction Cash will also be deposited to escrow prior to Closing.

2. Due Diligence. Authority will promptly arrange for inspection of vessels and the ferry terminal premises by a qualified entity. City will cooperate in making all documents and relevant items available to Authority for review and inspection. The parties will seek required approvals and authorizations, estoppel certificates, consents to assignment and such other things as may be necessary to effectuate the Transition.
3. Operating Budget. Authority will develop a Vallejo Ferry Service operating budget for Board adoption, and any associated grant transfer agreements, to support the operation of the Vallejo ferry services under Authority post transfer.
4. Insurance. It is anticipated that Authority's insurance provider will want to inspect the assets and premises. Authority will come back to the Board prior to the Closing to request authorization to procure required insurance coverages.
5. Adopt Fare Structure. Authority will take action to adopt the existing Vallejo Fare Structure prior to the Closing. City acknowledges that Authority will be working to implement Clipper card technology in the near future and as a part of that process Authority will need to create a system-wide standard fare structure which may require changes to the Service's existing fare structure.
6. Other. Authority and City will cooperate in taking such other steps, and executing such other documents, as may be reasonably necessary to accomplish the Transition.

**Fiscal Impact**

Approval of this agreement represents the first step in transitioning Vallejo ferry service to operate under Authority. A budget for this operation will be brought forward for Board consideration in November, prior to system transfer. Staff anticipates that this budget will be substantially the same as the current budget approved by the City for the operation of these services.

\*\*\*END\*\*\*

MEMORANDUM

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**TO:** Board Members

**FROM:** Nina Rannells, Executive Director  
John Sindzinski, Manager, Planning & Development  
Lauren Duran, Policy Analyst

**SUBJECT:** Process for Establishing Vallejo Ferry System Fares

**Recommendation**

This is an informational item for discussion only.

**Background/Discussion**

WETA's approach to system consolidation and transition emphasizes a commitment to ensure continuity in programs, services and activities of the existing ferry services. The Transition Plan laid out several key elements to ensure a seamless transition, including WETA's intent to adopt the existing fare structures to the greatest extent possible.

In developing the proposed fare structure for Alameda services some modifications were required in order to comply with Federal Transit Administration's 50% fare policy. This policy requires transit operators receiving federal assistance to offer patrons 65 years of age and older, persons with disabilities, and Medicare card holders fares not more than 50% of the base fare on all scheduled services with the exception of commuter services that only operate during peak hours or special services that only operate in off-peak hours such as AT&T ballpark services. As a result, WETA posted information about the proposed changes and held a public hearing on the fare change in the City of Alameda before adopting the new fare schedule.

In the case of the Vallejo Ferry Service, the existing fare structure is already in compliance with the FTA rules and requirements. Currently, the Vallejo Ferry Service offers seniors (age 65 yr. or older), persons with disabilities, and Medicare card holders a discount of 50% of the base fare.

In order to move forward with the Vallejo Ferry Service transition in as smooth and seamless a manner as possible, staff recommends that WETA proceed to establish fares for the transferred Vallejo Ferry Service at the same rate as currently charged by the City of Vallejo. Provided that the Board supports this approach, staff will inform the ridership of WETA's intent and will bring forward an action item for the Board to consider adopting the current fare structure at the next regularly scheduled meeting in November.

**Fiscal Impact**

There is no fiscal impact associated with this informational item.

**MEMORANDUM**

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**TO: Board Members**

**FROM: Nina Rannells, Executive Director**  
**Ernest Sanchez, Manager, Transportation Services**

**SUBJECT: Award Contract to Blue and Gold Fleet for Operation and Maintenance of Ferry Services**

**Recommendation**

Award a contract to Blue & Gold Fleet, L.P., for the operation and maintenance of WETA's ferry services and authorize the Executive Director to negotiate and enter into a contract for this work.

**Background**

On May 5, 2011, the Board of Directors approved release of a Request for Proposals (RFP) for Water Transit System Operation and Maintenance. Under the RFP, the successful bidder will be responsible for the daily operation and management of WETA's ferry transit system, which includes vessel operations and basic maintenance, equipment and facilities management, terminal operations, personnel management, communications, dispatching and notification systems, provision of fueling and lubricants, fare collection and provision of on-board services such as food and beverage services. The contract term was advertised for an initial period of five years with five individual one-year options (for a total of up to ten years) to be exercised at the sole discretion of WETA.

Service routes include the existing Alameda/Oakland and Harbor Bay services, new South San Francisco ferry services when they are started and an option to operate Vallejo ferry service beginning in July 2012, once it is transitioned to WETA and the current operating agreement expires. In total, this represents four service routes covering approximately 50 nautical miles and providing 17,700 revenue hours of ferry transportation service and approximately 1.3 million passenger trips annually.

The contractor will be compensated separately for several discrete elements of the scope of work based upon fixed bid and variable rates, as outlined in the RFP. These elements include service start-up, baseline revenue service operation, fuel and lubricants, maintenance, use of contractor-owned vessels, insurance and other vessel operations as may be required by WETA. Actual compensation for the operation of revenue service will be based upon a fixed annual bid for the operation of a baseline level of service which may be adjusted based upon actual hours operated and applicable service adjustment rates. Maintenance labor compensation will be based upon hours worked at a burdened hourly rate. Other items, such as fuel, lubricants and insurance will be covered at cost with no contractor mark-up.

**Discussion**

The RFP was issued on May 6, 2011. The RFP announcement was sent to WETA's mailing list, noticed in several trade papers, and posted on the Agency's website. A pre-proposal conference was held on May 26, 2011. Proposals were due on or before July 12, 2011. Only one bid was received by the closing date from Blue & Gold Fleet, L.P. (B&GF), the current contract operator of the Alameda/Oakland and Vallejo Baylink ferry services.

The B&GF proposal was reviewed by a team consisting of two WETA staff members and two consultants and an interview of B&GF was conducted. The team evaluated the proposal using the pre-established selection criteria included in the RFP which considered the following:

1. Price (35 pts) - The overall cost and pricing included in the proposal.
2. Operations Capability and Quality of Plans (25 pts) - The proposer's demonstrated understanding of the contractual undertaking including its approach to system implementation, operational methods and proposed administrative management and maintenance plans.
3. Management and Technical Competence (20 pts) - The qualifications and previous experience of the proposer and its key management employees in operating systems of a similar size, scope, and complexity.
4. Financial Viability (15 pts) - The financial strength and capacity of the proposer, as determined based upon a review of information such as audited financial statements for the past three (3) years, bank references, credit ratings, and/or other related financial information requested by the WETA.
5. Overall Risk (5 pts) - The overall risk, including, but not limited to, the maximum amount of damages specified in the event of contract termination.

A Cost Analysis of the proposal was also completed in order to ensure that the price proposed is fair and reasonable, as required by the Federal Transit Administration when there is a single bid. This review considered the cost proposal in light of current rates paid for the existing operations, cost escalation rates over the five year term, and the cost relative to other similar ferry operations. This review concluded that the proposal is fair and reasonable, as it includes cost rates similar to those paid today for the current services, factors in a modest escalation rate annually (approximately 2.9%) and is roughly at the midpoint of peer systems costs nationally (operating cost per vehicle revenue mile).

The proposal includes both fixed and variable cost items as outlined above and indicated in the RFP. The most significant cost item of the proposal is the Baseline Annual Fee, which is made up of the cost of several operating elements such as dispatch, supervision, vessel crews, vessel servicing and cleaning ticketing and revenue collection, administration and profit and will be the major cost driver for the contract. This cost element is bid on a fixed price basis (which will be adjusted annually based upon actual hours operated). The total proposed cost for the five-year operation of the baseline revenue service is \$44.28 million, including \$24.87 million for Central Bay (Alameda/Oakland, Harbor Bay and South San Francisco) and \$19.42 million for North Bay (Vallejo) services. This amount equates to an average rate over the life of the contract of \$556.24 per revenue hour. Based upon the Cost Analysis, the Year 1 Baseline Annual Fee

amounts are on par with current North Bay service costs and are approximately 2.6% higher than the combined current Central Bay route costs, representing a 1.1% increase to the overall service costs. This increase is modest and within the operating funds available to support WETA's ongoing ferry system.

As a result of their review, the selection team assigned the B&GF a score of 89 and recommends award of a contract to B&GF for system operation and maintenance. They noted that B&GF has 14 years of experience successfully operating 30-knot vessels and 19 years of experience providing water transit services. The company has operated the Vallejo service for 17 years and the Alameda/Oakland route for the past 19 years. From 1997 to 2006, it operated the Alcatraz excursion service under contract to the National Park Service transporting 1.4 million passengers per year. The company's maintenance and management teams have extensive experience and are highly qualified. The proposal included detailed operations and management plans and outlined the steps that B&GF would take to perform required tasks and monitor performance and quality of service. In addition, in our brief experience in working with B&GF under the Alameda/Oakland service contract, staff has found the company to be extremely responsive and positive to work with.

Based on the above, staff recommends that the Board award B&GF a contract for the operation and maintenance of WETA's ferry system, and authorize the Executive Director to negotiate and enter into an initial 5-year contract for this work.

If approved, staff anticipates that service operation for Alameda/Oakland and Harbor Bay services would begin under this contract on January 1, 2012, with South San Francisco service to start under a separate Notice to Proceed when the terminal and service are ready to begin operation in late winter/early spring and Vallejo service to start under a Notice to Proceed on July 1, 2012, provided that the service is transitioned to WETA.

**Fiscal Impact**

Funds to support WETA's water transit system operating and maintenance in FY 2011/12 are included in the FY 2011/12 Operating Budget. Future years' costs will be budgeted accordingly.

\*\*\*END\*\*\*



**MEMORANDUM**

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**TO: Board Members**

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

**SUBJECT: Approve Amendment No. 2 to Agreement #09-007 with KPFF, Inc. for Design and Engineering Services for the Central Bay Operations and Maintenance Facility**

**Recommendation**

Approve Amendment No. 2 to Agreement #09-007 with KPFF, Inc. in the amount of \$450,000 to provide design and engineering services for the Central Bay Operations and Maintenance Facility and authorize the Executive Director to execute the amendment.

**Background**

To date, the Board has awarded \$275,000 to KPFF, Inc. through Agreement #09-007 and Amendment No. 1 to the Agreement to provide Phase 1 design and engineering services for WETA's Central Bay Operations and Maintenance Facility Project. Phase 1 work includes all conceptual design and engineering work required to support environmental review of the project under CEQA and NEPA.

WETA has completed its required environmental review of the project under CEQA and is coordinating with FTA, the federal lead agency for the project, to complete its environmental review of the project under NEPA. Staff anticipates that FTA will approve NEPA clearance of the project by the end of the year, pending review of the project's Section 7 Biological Assessment recently submitted to the U.S. Army Corp of Engineers.

**Discussion**

In addition to completing the environmental review of the project under CEQA, staff has identified several Phase 1 work items that will need to be undertaken by the design team prior to advancing the project to final design. These services include permitting support, geotechnical exploration and analysis, additional survey work, and program verification and preliminary space planning. Moving forward with this work, anticipated to occur over the course of the next four months, will allow WETA to continue its permitting work for the project and avoid project delays. Staff has estimated a budget of \$450,000 will be required in order to support these additional design support services to be provided by KPFF, Inc. Additional permitting support, surveying, and program verification and space planning services will be required during the final design phase of the project. These final design services would be subject to future Board authorization and are not included in the proposed contract amendment.

Staff recommends that the Board authorize Amendment No. 2 to Agreement #09-007 with KPFF, Inc. for an amount of \$450,000 and authorize the Executive Director to execute the

amendment. As a part of this amendment, the term of the agreement would be extended to November 15, 2012. Specific work and expenditures would be approved in advance by staff on a Task Order basis.

Pending completion of the work proposed under KPFF Amendment No. 2 and clearance of the project under NEPA, the project will be ready to advance from conceptual to preliminary and final design. Per the terms of the original contract award to KPFF, Inc. for this work, WETA retains the option to continue working with KPFF, Inc. for Phase 2 preliminary and final design and engineering of the project or may seek the services of another firm for this work.

**Fiscal Impact**

This project is included in the FY 2011/12 Budget and Proposition 1B and federal funds are available to support this additional work.

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Nina Rannells, Executive Director**  
**John Sindzinski, Manager, Planning & Development**

**SUBJECT: Approve Amendment No. 1 with Power Engineering for Construction of South San Francisco Ferry Terminal**

**Recommendation**

Approve Amendment No. 1 with Power Engineering in the amount of \$1,138,900 for additional work associated with the construction of the South San Francisco Ferry Terminal.

**Background**

In May 2010, the Board approved a contract with Power Engineering for the construction of the South San Francisco ferry terminal pier structures and gangway in an amount not to exceed \$8,600,000, which included a 10% contingency for changes that might be identified during the normal course of project construction. Since work has commenced on this project, the majority of the awarded contract funds have been committed to the project as designed or modified through change order.

During the course of construction, change orders have been issued to address additional project design requirements, including permit requirements imposed by the South San Francisco Fire Department that required certain design changes and the installation of a fire pump; additional terminal security system needs that including developing design and specifications for digital cameras, emergency phones and other associated security equipment that could not be defined at the time of contract procurement; and the addition of electronic bicycle lockers that are compatible with similar units used throughout the region and that satisfy BDCD permit requirements.

Change orders were also issued in order to satisfy existing design requirements in light of observed field conditions. These change orders include changes to the concrete wall and slab to ensure a 50-year service life for the terminal under the specific seismic and geological conditions present at South San Francisco; changes to specifications for miscellaneous metals to improve safety, appearance, maintainability and longevity; and changes to glazing specifications for the terminal windows and doors to improve weather resistance, appearance, and maintainability for the windows and the doors.

Several “deductive” change orders have also been issued in order to control project costs through value engineering recommendations provided by the contract and approved by the design review team and through the deletion of items that were deemed unnecessary by WETA.

**Discussion**

Some additional work items will need to be completed in order to finalize construction of the South San Francisco terminal project and implement system service. This work includes Clipper site preparation, public access parking and purchase and installation of a terminal security system. Based upon proposals received and reviewed by WETA’s construction manager, staff estimates a total of \$1,138,900 will be needed to pay for this remaining project work, which is proposed to be

completed by Power Engineering through an amendment. A detailed description of the work and associated costs for each item is provided below.

#### *Clipper Site Preparation*

Staff requests Board authorization to amend the contract with Power to include design and site preparation work required for the installation of Clipper fare collection equipment at the Alameda terminals (Main St and Harbor Bay), as well as the Oakland Jack London and Downtown San Francisco terminal (Gate E). This work includes the design and construction of all electrical, communications, and associated infrastructure required to prepare each site for the installation of Clipper fare collection equipment. Note that the Clipper card readers and network devices will be installed by the Clipper contractor, Cubic Corporation, under another contract administered by MTC.

Provisions for potentially adding this work were expressively included in the original construction contract for the South San Francisco Ferry Terminal pier structures and gangways. Clipper site preparation work at the South San Francisco terminal is included under the original contract with Power Engineering; however, site preparation work at the other terminals could not be included in the original scope as WETA did not know exactly what the design and specific requirements would be for these terminals. Having Power complete this work is a reasonable addition to their scope since they are not only doing this work at South San Francisco terminal but have also completed similar work at the Downtown San Francisco MUNI Metro stations along Market St. Staff estimates that \$375,000 will be required to complete this work. This estimate is based on the amount requested by the contractor, which was reviewed by WETA's Construction Manager and was found to be reasonable and fair.

#### *Public Access Parking*

In order to meet BCDC permit requirements for public access parking and Bay Trail improvements, the project will require additional roadway paving along Oyster Point Blvd. This work will also include the fabrication and installation of terminal and Bay Trail wayfinding signage. Staff estimates that \$627,500 will be required to complete this work. This estimate is based on the amount requested by the contractor, which was reviewed by WETA's Construction Manager and was found to be reasonable and fair.

#### *Security System*

The design specifications for the security system designed by the contractor call for the procurement and installation of digital cameras, emergency phones, and other associated security equipment as part of a comprehensive terminal security system proposed to meet WETA's facility needs. Staff estimates that \$136,400 will be required to complete this work. The cost for this work was determined by soliciting bids from three potential subcontractors specializing in this type of installation and selecting the bid from the lowest responsive and responsible bidder.

Staff recommends that the Board authorize Amendment No. 1 with Power Engineering in the amount of \$1,138,900 and authorize the Executive Director to execute an amendment in this amount to support the additional work associated with construction of the South San Francisco Ferry Terminal as described above.

#### **Fiscal Impact**

Sufficient project funds are included in the FY 2011/12 Capital Budget to support the proposed contract amendment.

\*\*\*END\*\*\*

MEMORANDUM

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**TO: Board Members**

**FROM: Nina Rannells, Executive Director  
Keith Stahnke, Manager, Operations**

**SUBJECT: Award Construction Management Contract for Bay Breeze Vessel Refurbishment Project**

**Recommendation**

Approve award for Construction Management Services for the Bay Breeze Vessel Refurbishment project to Walther Engineering Services Inc., and authorize the Executive Director to negotiate and execute a contract for services in an amount not to exceed \$425,000.

**Background/Discussion**

The Bay Breeze is programmed for a complete vessel renovation and refurbishment project. This project will replace or rehabilitate all major systems including the hull and passenger cabin. In addition, the current water jet system will be replaced or converted to a propeller propulsion system. The Bay Breeze refurbishment project will reduce operational and ongoing maintenance costs, and will extend the useful life of the vessel to at least 25 years.

On July 14, 2011, the Board authorized staff to issue a Request for Qualifications (RFQ) for construction management services for the Bay Breeze Vessel Refurbishment project and also authorized issuing an RFP for the projected construction. Once a construction management firm is hired, staff will finalize the RFP for the refurbishment project.

The Authority followed the procedures specified in its Administrative Code regarding solicitation and evaluation of qualifications. The RFQ was issued on August 18, 2011 and emailed to over 410 technical firms as well as posted on the WETA website and a notice to the Passenger Vessel Association's membership email list. Submittals were due on September 8, 2011.

Three firms submitted written responses to the RFQ including ABS Consulting, Beacon Professional Services Corporation and Walther Engineering Services Inc. All three submittals were reviewed by an evaluation panel comprised of WETA staff. Selection criteria, as established within the RFQ, included the following:

- **Proposed Approach**—Approach for completing the services including the issues, challenges, and potential solutions;
- **Project Understanding** – Demonstration of a clear understanding of the project and ability to work collaboratively with other consultants, agencies, etc.;
- **Staffing Capacity** – Ability of proposed staff to provide engineering review of specifications, on-site monitoring during the shipyard construction and guarantee period;

- **Previous Experience/Expertise** – Relevant experience and past success managing all processes, procedures, and paperwork for similar projects;
- **Team Qualifications** – Team experience working with a multi-disciplinary team of firms engaged with public sector marine projects;
- **DBE Participation**–DBE participation on this project.

Using the selection criteria and information submitted, the selection panel gave Walther Engineering Services, Inc. the highest score and recommends awarding a contract to this firm for the work. Walther Engineering Services Inc. has extensive experience in managing vessel construction activities, includes managing the original construction of the Bay Breeze.

The work scope for the proposed contract includes assisting with the development of the technical specifications and procurement of the construction contractor. It also involves serving as the “owner’s representative“ during project construction which will include such work tasks as securing all requisite documentation from the chosen contractor, overseeing compliance with federal funding requirements, monitoring the contractor’s performance against the plans and specifications set forth in the construction RFP, assuring that the contractor’s monthly invoices are accurate and fairly represent work accomplished while the construction is underway and completing project closeout activities.

The recommended contract award is for an amount not to exceed \$425,000. This amount is based on estimates from Walther Engineering Services Inc. and is in line with typical marine construction management fees. This amount is approximately 8.5% of the \$5 million total project budget and is estimated to achieve 2.35% DBE through the use of a sub-consultant. All work will be managed and completed on a task order basis within the overall contract limit.

**Fiscal Impact**

This project is included in the FY 2011/12 Capital Budget and will be funded with federal and local capital funds.

\*\*\*END\*\*\*