



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, November 3, 2011 at 1:00 P.M.

San Francisco Bay Area
Water Emergency Transportation Authority
9 Pier, Suite 111
San Francisco

The full agenda packet is available for download at www.watertransit.org.

AGENDA

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

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

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

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

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

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6. CONSENT CALENDAR **Action**
a. Minutes October 6, 2011
b. WETA Board of Directors Meeting Schedule for Calendar Year 2012
7. APPROVE FERRY SERVICE FARE POLICY **Action**
8. APPROVE FISCAL YEAR 2011/12 BUDGET FOR THE VALLEJO FERRY SERVICE **Action**
9. AUTHORIZE ACTIONS ASSOCIATED WITH THE REPLACEMENT OF THE HARBOR BAY EXPRESS II VESSEL **Action**
10. AUTHORIZE RELEASE OF A REQUEST FOR QUALIFICATIONS (RFQ) FOR MARKETING AND PUBLIC INFORMATION SERVICES **Action**
11. RECESS INTO CLOSED SESSION
- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**
Property: City of Berkeley ferry terminal related property **To Be Determined**
Agency Negotiators: Nina Rannells and John Sindzinski,
San Francisco Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Berkeley
Under Negotiation: Terms and conditions to the cooperative agreement/lease with the City of Berkeley for Berkeley service
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**
Property: Mare Island Maintenance Facility at Building 477 and Building 165 sites, City of Vallejo **To Be Determined**
Agency Negotiators: Nina Rannells and Keith Stahnke
San Francisco Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Vallejo
Under Negotiation: Terms and conditions of the Authority's proposed lease
12. REPORT OF ACTIVITY IN CLOSED SESSION **Action**
Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session. **To Be Determined**
13. 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 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

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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.



MEMORANDUM

TO: WETA Board Members
FROM: Nina Rannells, Executive Director
DATE: November 3, 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. The WETA Board of Directors approved the Vallejo Transfer Agreement on October 6, and the Vallejo City Council approved it on October 11. WETA legal counsel and staff are working to finalize the document for execution in the coming weeks, and continue to work on necessary due diligence and pre-closing activities required prior to the close of escrow and transfer of the service to WETA. The system transfer is anticipated to be completed in early 2012.

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 terminal canopy and windows have been installed and the contractor is proceeding with finishing details. The contractor will begin work on the landside improvements including the parking lot, finishing the concrete work on the viewing terrace and the Bay Trail upgrades. The canopy is now being installed on the float and once complete, the float will be moved to Oyster Point for final installation. The project remains on schedule and within budget.. 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 will be completed in November.

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. .

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. On October 18, WETA staff and consultant team met with BCDC to discuss preliminary concept plans for the Richmond terminal project. BCDC provided input on the concept design and permitting process. WETA staff and the design team are working to address BCDC comments in the conceptual design. Additional consultation with BCDC is necessary prior to completion of eth concept design and the start of the environmental review process.

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.

In early October, staff met with local officials for WETA's expansion routes to review updated ridership projections and discuss additional project alternatives that will be modeled as part of this work. Staff will continue to coordinate with local officials as work continues on this project.

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. WETA and MTC are finalizing a cooperative agreement regarding the implementation of Clipper for WETA services. MTC is in the process of executing a change order with Cubic Transportation Systems for work associated with this project.

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. On September 26 the city issued a package to construct Phases 1 and 2 for bidding. A pre-bid conference was held on October 1, and bids are due to the City on November 10.

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 13, 2011 Vallejo City Council meeting. The current project timeline allows for 450 days of construction; completed in March 2013.

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. Meetings with National Marine Fisheries Service, the California Department of Fish and Game, the US Army-Corps of Engineers, and the Regional Water Quality Control Board are ongoing with respect to the mitigation measure require for the project.

OPERATIONS

Alameda/Oakland Ferry ("AOFS") Cal Game Service – The AOFS is providing direct service between Alameda Main Street, Oakland Jack London Square, and AT&T Park for all 5 regular season Cal Golden Bears football games. This service has sold out for the first three games of the season.

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. Customers who use the new online advance ticketing reservation system receive priority boarding.

Fleet Week Weekend, October 8 and 9 – San Francisco Bay Ferry ("SFBF") expanded AOFS service from 9 roundtrips per day to 18 per day. Ridership was very strong with 13,434 customers over two days compared with 12,413 over fleet week weekend in 2010, and with the approximately 1,400 riders carried over an average October weekend.

Jack London Square Pedalfest – SFBF participated in this celebration of all things bicycle on Saturday, October 22. AOFS ridership was 2,132 (including 220 bikes) compared to an average of 700 riders on Saturdays in October.

OUTREACH, PUBLIC INFORMATION, AND MARKETING EFFORTS

On October 11, Nina Rannells attended the Vallejo City Council Meeting where they discussed and approved the transfer of the Baylink Ferry System to WETA.

On October 13, Nina Rannells attended MTC's Transit Sustainability Project Steering Committee meeting at MTC in Oakland.

On October 26, Ernest Sanchez and Lauren Duran attended the Regional Table Top Emergency Response Exercise, hosted by MTC and attended by representatives from Bay Area transit agencies and cities, CalEMA, Ports of San Francisco and Oakland, Caltrans, CHP, USCG, FEMA, and FHA. The focus of this exercise is to assess the capabilities, resources, and decision-making processes that would be in effect following a catastrophic earthquake on the Hayward Fault.

On October 25 - 27, Ernest Sanchez, Lauren Duran, Keith Stahnke and Nina Rannells attended the Passenger Vessel Association Western Region annual meeting in San Francisco.

OTHER ACTIVITIES / ITEMS

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

ADMINISTRATION

September Financial Statements - Attached are the monthly financial statements for FY 2011/12 through September 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 09/30/2011

% of Year Elapsed 25.2%

	Current Month	Prior Year Actual	2011/12 Budget	2011/12 Actual	% of Budget
Operating Expenses:					
 Planning & General Administration:					
Wages and Fringe Benefits	104,571	1,451,663	1,546,000	330,293	21.4%
Services	332,711	2,712,835	2,199,000	387,679	17.6%
Materials and Supplies	2,579	32,616	51,000	3,483	6.8%
Utilities	1,164	12,032	15,000	2,122	14.1%
Insurance	8,787	29,767	33,000	15,383	46.6%
Miscellaneous	595	42,390	128,000	3,931	3.1%
Leases and Rentals	24,557	290,944	298,000	72,949	24.5%
Sub-Total Planning & Gen Admin	474,965	4,572,247	4,270,000	815,839	19.1%
 Ferry Operation:					
Vessel Operation	242,599		5,117,814	964,125	18.8%
Vessel Maintenance	433,546		1,385,185	670,060	48.4%
Facility Maintenance	76,731		419,144	159,771	38.1%
General & Administration	(20,191)		151,300	53,018	35.0%
Sub-Total Ferry Operation	732,685	-	7,073,443	1,846,974	26.1%
Total Operating Expenses	1,207,650	4,572,247	11,343,443	2,662,813	23.5%
Total Capital Expenses	1,669,610	21,835,930	24,392,774	3,236,240	13.3%
Total Expenses	2,877,260	26,408,177	35,736,217	5,899,053	16.5%

Operating Revenues

Fare Revenue	406,761		2,982,383	903,303	30.3%
Local - Bridge Toll	713,035	4,572,247	7,782,866	1,582,756	20.3%
Local - TIF	68,306		500,000	137,659	27.5%
Local - LLAD	19,548		78,194	39,096	50.0%
Total Operating Revenues	1,207,650	4,572,247	11,343,443	2,662,813	23.5%
Total Capital Revenues	1,669,610	21,835,930	24,392,774	3,236,240	13.3%
Total Revenues	2,877,260	26,408,177	35,736,217	5,899,053	16.5%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2011/12 Statement of Capital Revenues and Expenses
For Period Ending 09/30/2011

Project Description	Current Month	Project Budget	Prior Year Actual	2011/12 Budget	2011/12 Actual	Future Year	% of Project
Capital Expenses:							
SSF Mitigation Study	1,902	275,000	42,459	232,541	1,902	0	16%
SSF Terminal Construction	956,708	26,000,000	15,414,540	10,509,460	2,027,531	76,000	67%
Berkeley Environ/Conceptual Design	3,552	2,304,700	1,785,235	519,465	10,191	-	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	543,279	3,150,000	1,733,540	1,416,460	957,007	-	85%
Environmental Studies/Conceptual Design	35,857	3,250,000	251,465	2,998,535	45,080	-	9%
Central Bay Ops/Maint Fac - Environ/Design	2,953	2,600,000	362,872	2,237,128	22,765	-	15%
Central Bay Ops/Maint Fac - Construction		30,000,000	-	130,000	-	29,870,000	0%
Passenger / Emergency Float	-	2,500,000	90,000	1,500,000	-	910,000	4%
S.F. Berthing - Environ/Conceptual Design	122,139	3,300,000	950,349	1,861,651	166,406	488,000	34%
Vessel Engine Overhaul	-	1,103,564	-	1,103,564	-	-	0%
Vessel Mid-Life Overhaul - Bay Breeze	3,219	5,015,000	-	515,000	3,719	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	1,639	-	100%
Communications Equipment		52,000	39,737	12,263	-	-	76%
Total Capital Expenses	1,669,610	85,102,704	21,835,930	24,392,774	3,236,240	38,874,000	
Capital Revenues:							
Federal	657,216	23,233,404	8,839,892	7,794,447	1,273,756	6,599,065	44%
State	339,883	42,078,461	4,775,865	9,582,205	590,284	27,720,392	13%
Local - Bridge Toll	300,188	7,616,713	4,497,839	2,433,169	564,656	685,705	66%
Local - San Mateo Sales Tax Measure A	371,678	10,935,686	3,546,535	4,420,314	805,161	2,968,837	40%
Local - Alameda Sales Tax Measure B	644	1,238,440	175,800	162,640	2,383	900,000	14%
Total Capital Revenues	1,669,610	85,102,704	21,835,930	24,392,774	3,236,240	38,874,000	

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(October 6, 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 John O'Rourke. Vice Chair Intintoli led the Pledge of Allegiance. Director Beverly Johnson arrived at 1:19 p.m.

2. REPORT OF BOARD CHAIR

None.

3. REPORT OF DIRECTORS

Director Bellows reported that he and Director Johnson had attended a press conference at Alameda Point where the Navy and Alameda Reuse and Redevelopment Authority (ARRA) had come to an agreement announcing that the Navy would turn the base over at no cost starting in June 2012 and that most of the base would be turned over by December 2012 and that there was still some clean up to do over the next several years.

4. REPORTS OF STAFF

Executive Director Nina Rannells noted Redwood City held their Annual Port Fest last weekend and that Blue and Gold Fleet Captain Tom Dougherty had one of the WETA vessels down there and that Finance and Grants Manager Lynne Yu was on board talking to people and handing out WETA materials and information.

Ms. Rannells stated that the draft of the America's Cup People Plan was out and approved by the America's Cup Event Authority. This plan looks at all kinds of transportation and how it might be enhanced to accommodate what is expected to be a big influx of travel in the area.

Planner/Analyst Chad Mason is the WETA point person working with the City of San Francisco to identify potential areas to beef up ferry service for the event. The plan identifies the possibility of enhanced WETA ferry services from Vallejo, Alameda, Oakland, and Harbor Bay and also mentions the possibility of bringing in people from South San Francisco. There is also some interest in potentially providing service to Treasure Island if appropriate based upon the final race course.

Ms. Rannells introduced Transportation Services Manager Ernest Sanchez to report on special events and augmented services. Mr. Sanchez reported that WETA would be participating in Fleet Week and that military personnel in uniform would be permitted to ride WETA ferries free through Monday. For the weekend, San Francisco Bay Ferry would be operating 18 weekend round trips from Alameda-Oakland instead of the usual 9. He further indicated that the Port of San Francisco is allowing the Navy exclusive use of Gate E for the weekend activities (Saturday through Monday), requiring the Alameda ferry services to utilize Gate B along with Vallejo, Tiburon and special Hornblower services. He indicated that this will cause significant congestion at Gate B and that, in order to help minimize customer confusion, gate change notices would be posted on WETA

websites, at the Alameda and Oakland Terminals and at Gate E, and that on-board announcements will be made. In addition, WETA will be working with the Port of San Francisco and Blue and Gold Fleet to ensure that customer service representatives are available at Gates B and E and at Pier 41 to keep passengers informed about the services.

Ms. Rannells commented that this gate change would be through Monday which would affect commuter service. Mr. Sanchez agreed that Gate B would be crowded but noted communication between the captains for Vallejo, Tiburon, and Alameda Oakland services would be good as all the services are operated by Blue and Gold Fleet.

Mr. Sanchez indicated that he was contacted on Monday by Caltrans regarding the potential utilization of ferries as a part of the 75th anniversary for the Oakland Bay Bridge. Caltrans is hoping to have the Governor as well as the Mayors of the surrounding cities in attendance. Utilizing ferries as a part of this event would allow dignitaries to view the construction progress on the new bridge span from the waterside and would provide WETA with the ability to show off our ferries and regional system.

Ms. Rannells stated that there was no legislative report.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve the consent calendar which included the minutes from the September 15, 2011 Board of Directors meeting and authorization to file an application with the Metropolitan Transportation Commission for \$400,000 Regional Measure 2 funds for Clipper implementation.

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

6. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 1:14 p.m. Upon reopening of the meeting at 2:02 p.m. she reported that the Board made a motion authorizing the Executive to enter into a lease agreement with the Port of San Francisco for office and berthing space at Pier 9 at a negotiated and reduced rate and that no action had been taken on any other Items.

7. APPROVE VALLEJO FERRY SERVICE OPERATIONS TRANSFER AGREEMENT

Ms. Rannells was pleased to present this item after approximately three years of discussion between WETA staff and the City of Vallejo (City). The discussions have not always been easy; however, under the leadership of Assistant City Manager Craig Whittom, WETA and the City have been able to come to terms on an agreement that is being recommended for approval. Most of the staff has had a hand in working on the agreement at one time or another. Ms. Rannells wanted to recognize the extra efforts of Manager of Operations Keith Stahnke, Manager of Planning and Development John Sindzinski, Manager of Grants and Finance Lynne Yu, and especially Policy Analyst Lauren Duran who was instrumental in keeping things straight and documenting items agreed upon through the whole process.

Additionally, Ms. Rannells wanted to recognize WETA Counsel Stanley Taylor of Nossaman LLP and his staff, Danielle Gensch and in particular, Donna Brady who has been the lead attorney, noting that all involved have spent much time and effort on this challenging project.

Ms. Rannells presented an overview of the item, indicating that the recommendation includes approving transition of the Baylink ferry services to WETA and approving the ferry services operations transfer agreement. This approval would give authorization to the Executive Director to complete negotiations and finalize and execute this agreement consistent with the terms outlined;

take all necessary steps to execute documents and complete the closing of the agreement and implement the transition; and find that the transaction is exempt from California Environmental Quality Act (CEQA), authorizing the Executive Director to record a notice of exemption.

Vice Chair Intintoli commented that the language in the proposed agreement regarding marketing of services on an ongoing basis consistent with efforts for other services could be misinterpreted as having to use the same amount of money per passenger to boost ridership irrespective of the need. Ms. Rannells replied that this was not the intent of the proposed language and indicated that she would review this section and make changes as necessary to reflect the general intent to market all services as circumstances warrant.

Director Bellows asked who was managing the service. Ms. Rannells responded that the City was utilizing Marty Robbins of Fast Ferry Management and that staff intended to continue to utilize Fast Ferry Management services to augment WETA staff oversight.

Director Johnson wanted to know about the ongoing capital projects, when the capital projects would be completed and if the WETA would be paying the City for ongoing administration. Ms. Rannells explained that the two relevant ongoing capital projects are the vessel repower and maintenance facility projects. For the Vallejo maintenance facility, the City will manage Phase I/II construction which should start later this year and take approximately a year and a half to complete. Staff anticipates that the City of Vallejo would continue to hold the existing grants for this project with the exception of Proposition 1B funds that WETA will provide to support the project on a pass-through basis. City staff time required to manage the construction and grant efforts will be charged to the project and recovered with project grants to the extent eligible. The vessel repower project is expected to be completed within a relatively short time frame after the service transfer, so, rather than transfer the grants to WETA, which could take several months, it makes more sense for the City to continue to hold these grants and pass the funds through to WETA for use to complete the project.

Director Johnson further questioned why the grant funds weren't being transferred to WETA and expressed concern about the cost associated with the City maintaining these grants. Ms. Rannells indicated that the grant administration work and associated cost is relatively small and will be identified on a project basis ahead of time. Once the current grants and projects are completed this will no longer be an issue.

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

8. PROCESS FOR ESTABLISHING VALLEJO FERRY SYSTEM FARES

Ms. Duran presented this item on WETA's approach for establishing Vallejo ferry system fares.

Director Johnson asked how sensitive the fare issue is in Vallejo. Vice Chair Intintoli commented about the effects from a few years ago stating that the fare increase caused a 20-25% lost in ridership. The lowering of fares brought back some of the ridership, so fare increases in Vallejo are very sensitive.

Director Johnson stated that small adjustments were made in Alameda. Vice Chair Intintoli asked if it had been a while since adjustments were made in Alameda and Director Johnson indicated that there were no recent major adjustments. Vice Chair Intintoli further explained that the longer it goes without making any small adjustments, the more difficult it would be to make any adjustments.

Ms. Rannells clarified Vice Chair Intintoli's comment reminding the Board that Vallejo had raised fares by about 25% approximately three years ago. This huge change caused a huge reaction and fell at about the same time as the recession.

Vice Chair Intintoli suggested that it should be a policy discussion of how to do fare increases and whether to use indexes and what makes up the indexes. He further stated that the WETA would be better off reviewing fares frequently and making small incremental adjustments rather than waiting a lengthy amount of time and making up for past opportunities.

9. AWARD CONTRACT TO BLUE AND GOLD FLEET FOR OPERATION AND MAINTENANCE OF FERRY SERVICES

Mr. Sanchez presented this item recommending award of a contract for the operation and maintenance of WETA's San Francisco Bay Ferry services to Blue and Gold Fleet, L.P. The term of the agreement is for an initial five-year period with the potential for five one-year extensions to be awarded at WETA's sole discretion.

Mr. Sanchez indicated that only one proposal had been received by the due date from Blue and Gold Fleet, the current operator of the Alameda Oakland and Vallejo ferry. This proposal was reviewed by a four member evaluation team consisting of Mr. Sindzinski, consultant Ben Porter, Mr. Robbins, and Mr. Sanchez.

Mr. Sanchez introduced Mr. Porter, who provided the financial analysis for the WETA, and Blue and Gold staff, President Taylor Stafford, Vice President Carolyn Horgan, and Director of Operations Pat Murphy. Ms. Rannells commented that Mr. Porter did a comprehensive Cost Analysis, as is required by the Federal Transit Administration in a single bid situation in order to confirm that the bid is fair and reasonable. This analysis considered the cost proposal in light of current rates paid for the existing services, proposed cost escalation rates over the five year term, and the cost relative to other similar ferry operations. Based upon this analysis, the Blue and Gold proposal appears to be fair and reasonable. Ms. Rannells indicated that she is looking forward to the prospect of a five to possibly ten year relationship with Blue and Gold Fleet and its staff.

Public Comment

Mr. Stafford felt that the process was fair and open and is very pleased to have been awarded the contract and at a jumping off point.

Public Comment

International Organization of Master, Mates & Pilots (MMP) Vice President Mike Murray of Seattle congratulated the WETA and Blue and Gold Fleet. Mr. Murray stated that the Inlandboatmen's Union (IBU) and MMP have been working together to support the WETA system and complimented the WETA on the sophistication of the boats and professional crew. He thanked everyone involved.

Public Comment

IBU San Francisco Regional Director Marina Secchitano recognized the long journey and the difficulty of decisions made along the way. Ms. Secchitano acknowledged the hard work of the IBU members working with WETA and Blue and Gold Fleet. She stated that the process worked great and was looking forward to ten years.

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

10. APPROVE AMENDMENT NO. 2 TO AGREEMENT #09-007 WITH KPFF, INC. FOR DESIGN AND ENGINEERING SERVICES FOR THE CENTRAL BAY OPERATIONS AND MAINTENANCE FACILITY

Planner/Analyst Mike Gougherty presented this item recommending approval of an amendment with KPFF, Inc for design and engineering services for the Central Bay Operations and Maintenance Facility. The amendment would increase the contract amount by \$450,000 and extend the contract through November 2012.

Vice Chair Intintoli requested the history of the contract. Mr. Gougherty replied that the amount of the original contract was for \$200,000 and the amount of the first amendment was for \$75,000. Vice Chair Intintoli expressed his general concern regarding awarding contract amendments that are larger than the original contract award and the importance of providing opportunities to compete for contracts based upon price.

Mr. Sindzinski stated that these are design and engineering services that were competitively procured through an RFQ process consistent with the Little Brooks Act requirements. This process identified the most qualified consultant to complete the design and engineering services for the project and allowed for WETA staff to negotiate a price for the services. While the RFQ solicitation and review process considered services required to complete the full project design, the initial contract award was limited to only costs and services anticipated to be needed to complete conceptual design required to support the environmental process, as allowed under the National Environmental Policy Act (NEPA). Mr. Sindzinski explained that NEPA clearance is required prior to going into final design which is unique under Federal Transit Administration guidelines. This stepped approach to contract award amounts also allows WETA the flexibility to continue to work with the design/engineering firm once the conceptual design is completed or to seek the services of another contractor if the work is not found to be satisfactory.

Vice Chair Intintoli voiced concern regarding ensuring that WETA processes allow for competitive bidding and to consider price when appropriate. Director Johnson stated that WETA should consider a price competition. WETA counsel Stan Taylor indicated that WETA's procurement policy states that WETA can amend contracts to increase the compensation and term as long as the underlying services are adequately described in the initial solicitation. Unlike other public agencies, WETA does not place a cap on the amendment allowing the amendment to be for a larger amount. Ms. Rannells reiterated that the RFQ solicitation process considered qualifications first, followed by a negotiated price for services, as is required for design and engineering services. Ms. Rannells indicated that she would work with legal counsel to review the agency's RFQ procedures for engineering and design services prior to making any further recommendations associated with final design services for this project.

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

11. APPROVE AMENDMENT NO. 1 WITH POWER ENGINEERING FOR CONSTRUCTION OF SOUTH SAN FRANCISCO FERRY TERMINAL

Mr. Sindzinski presented this item recommending approval of an amendment with Power Engineering for additional work associated with the construction of the South San Francisco Ferry Terminal.

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. The amendment would increase the contract amount by \$1,138,900.

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

12. AWARD CONSTRUCTION MANAGEMENT CONTRACT FOR BAY BREEZE VESSEL REFURBISHMENT PROJECT

Mr. Stahnke presented this item recommending Walther Engineering Services Inc. the award for construction management services for the Bay Breeze vessel refurbishment project in the amount of \$425,000.

The project will replace or rehabilitate all major systems including the hull and passenger cabin which is expected to reduce operational and ongoing maintenance costs and extend the useful life of the vessel to at least 25 years.

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

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

None.

14. ADJOURNMENT

All business having concluded, the meeting was adjourned at 2:50 p.m.

Respectfully Submitted,

Board Secretary

MEMORANDUM

TO: Board Members

FROM: Melanie Jann, Manager, Administration & Business Services
Nina Rannells, Executive Director

SUBJECT: WETA Board of Directors Meeting Schedule for Calendar Year 2012

Recommendation

Approve WETA Board of Directors meeting schedule for Calendar Year 2012.

Discussion

The WETA Board of Directors generally meets on the first Thursday of each month at 1:00 p.m. at WETA's offices located at 9 Pier, Suite 111, San Francisco, CA, with exceptions made to address holiday or business conflicts. Based upon a review of the 2012 calendar, staff proposes the following meeting dates for next year:

DATE:	TIME:	LOCATION/ADDRESS:
Thursday, January 5th	1:00 p.m.	WETA
Thursday, February 2nd	1:00 p.m.	WETA
Thursday, March 1st	1:00 p.m.	WETA
Thursday, April 5th	1:00 p.m.	WETA
Thursday, May 3rd	1:00 p.m.	WETA
Thursday, June 7th	1:00 p.m.	WETA
Thursday, July 12th	1:00 p.m.	WETA
Thursday, August 2nd	1:00 p.m.	WETA
Thursday, September 6th	1:00 p.m.	WETA
Thursday, October 4th	1:00 p.m.	WETA
Thursday, November 1st	1:00 p.m.	WETA
Thursday, December 6th	1:00 p.m.	WETA

This schedule may be amended during the year to adjust the time, meeting place or number of meetings held in response to WETA's business needs.

Fiscal Impact

Approval of the proposed meeting schedule would commit the Authority to expenses in an amount up to \$10,000 in CY 2012 consistent with the budget based upon one meeting per month.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Ferry Service Fare Policy

Recommendation

Approve an agency fare policy to guide establishment and modification of ferry service fares.

Background

Staff has coordinated with its on-call planning consultant, Cambridge Systematics, to assist in developing the agency's Fare Policy. As part of this work, an extensive review of best practices was undertaken by the consultant and policy options were presented to staff. Staff identified those policy options that best meet the needs of WETA and developed a set of guiding principles that were presented to the Board as an informational item last month. Staff has developed a final fare policy for Board consideration based upon those principles and the feedback received from the Board at the October meeting.

Discussion

WETA's primary objective as a transit agency is to provide service to the maximum number of travelers that would otherwise use their cars, especially those currently traveling along congested bridge corridors. However, due to limited operating subsidy, system fares must be established to support a share of annual system operating costs. The proposed WETA fare policy is designed to both support system cost recovery and promote system ridership as described below.

SYSTEM COST RECOVERY

- **Meet Farebox Recovery Requirements:** WETA will maintain a minimum 40 percent farebox recover ratio for commuter (peak) services and a 30 percent farebox recovery for all day service to remain eligible for Regional Measure 2 (RM2) funding. New services will have three years to achieve these targets. For special event services, WETA's objective is to recover the full incremental cost of this service through farebox or other special revenues identified for this event.
- **Consider Local Contributions:** WETA will seek local contributions outside of fare revenues to support the operation of all ferry service routes. Where provided, this contribution will be considered when setting fares for each route.
- **Maintain Operating Cost Recovery:** WETA will utilize fares to off-set operating cost changes over time, as appropriate, through the following mechanisms:

- Annual Fare Adjustments: WETA will consider fares relative to operating costs annually based upon prior year and projected cost increases and will consider implementing annual fare adjustments to cover changing costs. Individual fare changes may be proposed as a separate Board action or may be made as a part of a multi-year fare program authorized by the Board. The purpose of a multi-year fare program would be to promote financial sustainability through small annual inflationary cost increases.
- Fare Surcharge for Unanticipated Expenses: WETA will consider implementing a fare surcharge when there is a significant and unforeseen increase in expenses that affects the agency's ability to continue to operate services at existing levels. Implementation of specific fare surcharge program and initiation of a surcharge would be subject to Board action. Once a surcharge is implemented, costs triggering the surcharge would be monitored to determine when and if the surcharge should end.

PROMOTE RIDERSHIP

- Provide Frequent Rider Discounts: WETA will provide fare discounts for frequent riders utilizing pre-paid fare instruments. Clipper will ultimately be the exclusive pre-paid fare payment media for discounted Adult, Youth, Senior and RTC fare categories per MTC program requirements. All discounted Clipper fares shall be set at a level initially equivalent to discount fares available through legacy fare products, such as monthly passes and ticket books. Once Clipper is implemented on existing services, legacy products such as ticket books and monthly passes will be phased out.
- Offer Other Fare Incentives: WETA will explore options for encouraging ridership on each route, including offering transfer discounts, promotional fares, group sales and other incentives. These options will be considered to the full extent feasible given other objectives of the Fare Policy.

All fare changes proposed as a result of this policy will conform to Title VI regulations and requirements, as set forth by the Federal Transit Administration, and agency public information and outreach requirements for fare changes.

Establishing the above fare policy will provide the guidance required to establish fare structures for future services operated by WETA and make adjustments to fare structures for existing services, as necessary. As a next step, staff will develop and bring forward a recommended fare structure for the new South San Francisco service utilizing the principles identified in the fare policy above.

Fiscal Impact

There is no fiscal impact associated with this item.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Fiscal Year 2011/12 Budget for the Vallejo Ferry Service

Recommendation

Approve the proposed Fiscal Year 2011/12 Budget for the Vallejo Ferry Service.

Background

In October 2011, WETA and the City of Vallejo approved transfer of the Vallejo Ferry Service to WETA. Chapter 5, Article 4, Section 66540.41 of the Authority's administrative code requires preparation and implementation of annual budget to support the agency's operations. This item contains the proposed combined operating and capital budget the Vallejo Ferry Service for Fiscal Year 2011/12.

Discussion

The proposed FY 2011/12 Vallejo ferry service budget, as provided in **Attachment 1** to this report, totals \$31.6 million for the full year, including \$13.3 million in operating expenses and \$18.3 million in capital project expenses. Staff estimates that the earliest the Vallejo Ferry Service transition will be completed is December 31, 2011, and that the service will incur expenses totaling approximately \$6.7 million in operating expenses and \$12.4 in capital expenses through this date, leaving a budget of approximately \$6.6 million in operating and \$5.8 million in capital for expenditure from January through June 2012. At the close of the transition, the actual expenses and remaining budget amounts will be reconciled and applied to the WETA operating budget for Vallejo Ferry Services through June 30, 2012.

Revenues to support the proposed FY 2011/12 budget include fare revenues, Federal capital funds, State Carl Moyer grant funds, bridge tolls (AB664, RM1 and RM2), and other lease and advertising revenues. The transition agreement identifies a process for transferring funds from the City to WETA at the time of service transition to ensure that system revenues remain with the services.

Operating Budget Discussion

The FY 2011/12 Operating Budget for the Vallejo Ferry Service is \$13.3 million for the full year. This service provides daily scheduled ferry transportation services between the City of Vallejo and San Francisco (to the San Francisco Ferry Building and Pier 41/Fisherman's Wharf) as well as limited seasonal service to AT&T Park for selected Giants games and other special events. In FY 2011/12, the Vallejo Ferry Service is estimated to provide 602,000 passenger trips. The Vallejo ferry service is currently operated under contract by Blue & Gold Fleet.

Capital Budget Discussion

The FY2011/12 Capital Budget includes 2 projects totaling \$18.3 million. These projects include Vallejo Channel Dredging and the Mid-life Repower of the Intintoli and Mare Island. The Vallejo Channel Dredging project is expected to be completed prior to service transition to the Authority. The Mid-life Repower of the Intintoli is expected to be completed by the end of October 2011. New engines for the Mare Island are scheduled to be installed by the end of December 2011 and all shipyard work is to be completed and vessel back in service by Summer 2012.

Fiscal Impact

This item establishes the work plan and related annual expenses for the Vallejo Ferry Service in FY 2011/12.

END

Attachment 1

San Francisco Bay Area Water Emergency Transportation Authority FY 2011/12 Vallejo Baylink Budget Ferry Services

Expenses	Annual Budget FY 2011/12	Estimated City Expenses To Dec 2011	Estimated WETA Expenses Jan to Jun 2012
OPERATING			
Purchased Transportation:			
Vessel Expenses	5,557,000	2,778,500	2,778,500
Operator Fees	433,000	216,500	216,500
Subtotal Purchased Transportation	5,990,000	2,995,000	2,995,000
Direct Expenses - City of Vallejo / WETA:			
Fuel (<i>1,385,750 gallons @ \$4 per gallon</i>)	5,543,000	2,771,500	2,771,500
Advertising	100,000	50,000	50,000
Services & Supplies	325,000	162,500	162,500
Management Oversight	135,000	67,500	67,500
Allocated General Administration	542,000	271,000	271,000
Route 200	506,000	253,000	253,000
Ticket Office	182,000	91,000	91,000
Subtotal Direct Expenses	7,333,000	3,666,500	3,666,500
Total Operating Expenses	13,323,000	6,661,500	6,661,500
CAPITAL			
Channel Dredging	1,250,000	1,250,000	-
Ferry Repower Project	17,030,700	11,133,130	5,897,570
Total Capital Expenses	18,280,700	12,383,130	5,897,570
Total Expense	31,603,700	19,044,630	12,559,070

Revenues	Annual Budget FY 2011/12	Estimated City Revenues To Dec 2011	Estimated WETA Revenues Jan to Jun 2012
Fare Revenue	6,034,000	3,017,000	3,017,000
Federal - FTA 5307 Formula Funds	14,264,000	8,366,430	5,897,570
State - Carl Moyer Grant Program Funds	3,766,700	3,766,700	-
Local - Bridge Tolls AB664	41,000	41,000	-
Local - Bridge Tolls Regional Measure 1 2%	209,000	209,000	-
Local - Bridge Tolls Regional Measure 1 5%	1,256,800	628,400	628,400
Local - Bridge Tolls Regional Measure 2	6,011,200	3,005,600	3,005,600
Local - Terminal Leases, Advertising & Other	21,000	10,500	10,500
Total Revenue	31,603,700	19,044,630	12,559,070

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Actions Associated with the Replacement of the Harbor Bay Express II Vessel

Recommendation

Authorize staff to develop plans and take actions necessary to retire and replace the Harbor Bay Express II vessel.

Background

When WETA took over the operation of the Alameda Harbor Bay ferry service in April 2011, we inherited two system vessels including the Bay Breeze (250 passenger capacity) and the Harbor Bay Express II (149 passenger capacity). Historically, the Bay Breeze has served as the primary vessel used in operation of the Harbor Bay service, with the Express II as the back-up vessel. WETA's spare vessel Pisces has been utilized as the primary back-up vessel to the Bay Breeze in Harbor Bay service since its arrival in 2009, largely due to the marginal condition and reliability of the Express II.

Discussion

Harbor Bay Maritime, the contract operator of the vessel, recently arranged for the Express II to be dry-docked for regularly scheduled maintenance and required U.S. Coast Guard drydock certification inspection. During the U.S Coast Guard inspection significant areas of pitting and corrosion were found on the underwater hull plating. Because clad weld procedures are not allowed on aluminum with less the ¼" plate thickness, sections of the hull will need to be cropped and inserts of new material will need to be fitted and welded for the vessel to be re-certified for use. The cost to complete to complete this work and paint the affected area is estimated to be between \$80,000 and \$100,000.

In addition to the immediate work identified above, significant work and investment would need to be made in the near-term in order to make the Express II a viable service vessel including:

- Structural work
- Passenger cabin retrofit
- Electronic systems work
- CARB mandated repower of main engines

From an operational and economical perspective, the Express II has reached the end of its economic useful life. Its experimental construction, including a light-weight build, has resulted in operational issues from the beginning. It has required significant investment over the past 20 years in order to keep it operational, although it is rarely used. Customer acceptance of this vessel is very low as it is noisy, uncomfortable, and has a rough ride. Rather than

continue to invest capital and operating dollars (insurance, mooring, and vessel maintenance) in keeping this vessel operational, staff recommends working to replace the vessel as soon as possible.

The initial work associated with this effort would include:

- Notifying relevant granting agencies that the vessel has reached the end of its useful life and will be disposed of;
- Establishing market value and putting the vessel up for sale and completing the sale and/or disposal; and
- Seeking grant funds to replace the vessel from various local, state, and federal sources.

Fiscal Impact

The full fiscal impact of this item is unknown at this time. A new 250 passenger vessel to serve as back-up to the Bay Breeze could cost between \$12 and \$14 million and could only be purchased if eligible funds are secured.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Release of a Request for Qualifications (RFQ) for Marketing and Public Information Services

Recommendation

Authorize the release of a Request for Qualification (RFQ) for Consulting Services to provide a variety of ongoing marketing and public information services.

Background/Discussion

Over the past several months WETA has successfully assumed operational responsibility for the Alameda/Oakland and Alameda Harbor Bay ferry services. Over the next several months, WETA will consolidate these services along with the South San Francisco and Vallejo services under the San Francisco Bay Ferry ("SFBF") brand. Staff will need to accomplish several marketing tasks associated with the consolidation of services and the introduction of the San Francisco Bay Ferry brand to the public.

These various marketing and public information needs require a wide range of specialized skills and services that are often needed on short notice or in intermittent intervals. Contracting with consultants to provide as needed marketing and public information services would allow full time WETA staff to access a variety of such services and to respond to request to participate in special events on short notice, manage peak workloads, and ensure the continuous marketing of WETA's current and future services.

This item would authorize the release of an RFQ for consultants to provide marketing and public information services on an as needed basis. Once a list of consultants is established and contracts are awarded, WETA would utilize consultants to perform work as needed, on a controlled task order basis. By beginning the RFQ process now, WETA can have contracts in place up front to ensure that both adequate labor and expertise will be available to meet the marketing and public information needs of WETA over time.

Staff anticipates that the selected consultant(s) would provide specialized support to WETA in such areas as:

- **Marketing Plans:** Develop and support implementation of San Francisco Bay Ferry marketing ("SFBF") plans for service lines and for the SFBF system.
- **Public Relations:** Develop plans and provide public relations service support for the South San Francisco/East Bay launch, SFBF system wide branding and marketing campaigns, and Water Emergency Transportation Authority functions. Plans will include consideration of the use of web-based social media.
- **Web Site Development/Enhancement:** Develop and implement web site creative and content designed to improved site functionality, improve customer web site use experience, and enable web site to function as critical marketing tool.

- Printing: Provide print job specifications, press checks, production, and delivery of printed materials.
- Creative: Develop creative concepts for SFBF campaigns, promotions, and special events including print ads, television storyboards, and/or radio scripts.
- Production: Produce radio, television, and web-based spots.
- Design Services: Develop design concepts and final art for premium items, ads, brochures, pocket schedules, dock signs, rack cards, and ferry tickets.

Consultant proposals will be reviewed by an evaluation committee and a recommendation for contract award(s) will be developed based upon the following selection criteria:

- Experience with similar projects
- References
- Qualifications
- Availability

Staff will return to the Board with a recommendation to establish a list of qualified on-call marketing and public information services and authorize contract award(s) in January 2012.

Fiscal Impact

There is no fiscal impact associated with this item.

END