



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, December 8, 2011 at 2:15 P.M.

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

NOTE: MEETING TIME 2:15 P.M.

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

**Water Emergency Transportation Authority
December 8, 2011 Meeting of the Board of Directors**

6. CONSENT CALENDAR *Action*
 - a. Minutes November 3, 2011

7. AUTHORIZE EXECUTION OF A PASS-THROUGH AGREEMENT WITH THE CITY OF VALLEJO TO PROVIDE PROPOSITION 1B FUNDS TO SUPPORT THE VALLEJO FERRY MAINTENANCE FACILITY PROJECT *Action*

8. OVERVIEW OF THE SOUTH SAN FRANCISCO FERRY SERVICE IMPLEMENTATION ACTIVITIES *Information*

9. RECESS INTO CLOSED SESSION
 - a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS *Action
To Be Determined*

Property: Mare Island Maintenance Facility at Building 477 and Building 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

 - b. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION *Action
To Be Determined*

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one case

10. REPORT OF ACTIVITY IN CLOSED SESSION *Action
To Be Determined*

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.

11. 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 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: December 8, 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. Over the last month significant progress has been made building the bus loading area and parking lot. The float and gangway were delivered in November and are now installed at the site. The contractors are proceeding with the finish work and continue to proceed on schedule and within the overall project budget.

Berkeley Ferry Service – This service will provide an alternative transportation link between Berkeley and downtown San Francisco. The environmental and conceptual design work includes plans for shared of an existing City owned parking lot at the terminal site between ferry and local restaurant (Hs

Lordships) patrons. City participation is required in order to move the project forward and reach agreement on shared use concept. WETA has engaged the services of a transportation consultant to develop a draft parking management plan for the shared use which will be distributed to the City and restaurant representatives for review and discussion in early December. Staff is also working with the Berkeley City Manager's office to identify and reach agreement on the respective roles and responsibilities of WETA and the City required in order for the proposed ferry service to move forward.

The Draft EIS/EIR was published in October 2008. Staff has been working with the environmental consultant to prepare a re-evaluation of the Draft EIS/EIR. The purpose of the re-evaluation is to demonstrate that conditions near the preferred terminal location have not changed enough since publication of the Draft EIS/EIR to warrant preparation of a supplemental environmental document. Staff will be submitting the re-evaluation to the FTA for review in December.

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 in connection with planned Island development.

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.

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 was completed in November and awaits final permits from the City Fire Marshall and Port of San Francisco.

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. Staff plans to meet with the City of Hercules in early December to receive project status update.

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. Staff has continued to work with the consultant teams on conceptual planning and design for the potential terminals.

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. Staff has scheduled meetings with city representatives for expansion routes to follow-up on WETA's preliminary updated ridership forecast model projections for future year 2035.

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 have finalized a cooperative agreement regarding the implementation of Clipper for WETA services. MTC has executed a change order with Cubic Transportation Systems for work associated with this project on WETA's behalf. WETA is proceeding to initiate site preparation and finalize design requirements for Clipper implementation.

Short-Range Transit Plan – WETA is required to prepare a short-range transit plan (SRTP) now that we are a transit service operator. The main purpose of the SRTP is to serve as a management and policy document for the transit operator, as well as a means of annually providing FTA and MTC with information necessary to meet regional fund programming and planning requirements. Staff has started to prepare the draft SRTP in accordance with MTC guidelines. In the coming months, staff will be bringing informational items before the Board to provide updates on the draft SRTP and to obtain direction from the Board on policy-related decisions. WETA adoption of the SRTP is expected to be in the summer or fall of 2012, pending further details on the schedule from MTC.

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.

The Bus Transfer Facility portion of the project is now complete and in operation. The parking structure construction has been split into two phases. Construction of Phase A, which began in June 2010, is approximately 80% complete and is on schedule to be completed in January 2012. The City has hired a consultant develop a Parking Management Plan and recommend a revenue control system to be integrated into the parking structure and surrounding area in order to cover facility operating and maintenance costs. Phase B of the Parking Structure is in the final design stage. Construction of this project phase is dependent upon relocation of the Post Office property and securing full project funding.

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.

The City issued an RFP for construction of Phases 1 and 2 of this project in October and bids were received on December 2. City staff hopes to award a contract on December 20. In the event that this is not possible, the project will require a STIP funding extension to avoid the loss of \$4.2 million funds allocated to the project in June 2011 by the California Transportation Commission. In order to cover this possibility, the City has requested a six month STIP extension from the CTC and WETA staff is working to support CTC approval of this request.

OPERATIONS

Alameda/Oakland Ferry ("AOFS") Cal Game Service – The AOFS provided 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 all 5 games of the season.

Lighted Yacht Parade – The AOFS participated in the 34th Annual Lighted Yacht Parade held on Saturday, December 3, in the Oakland estuary. Riders who donated a toy for the Toys-For-Tots program onboard the boat rode free whereas all other customers paid regular fares.

OUTREACH, PUBLIC INFORMATION, AND MARKETING EFFORTS

On November 10, Nina Rannells attended the 75th Anniversary Celebration of the San Francisco-Oakland Bay Bridge on Treasure Island.

On November 10, Keith Stahnke and Ernest Sanchez participated in the MTC Trans Response Plan (TRP) Steering Committee Meeting.

On November 17, WETA and Blue & Gold Fleet held a joint staff meeting in order to provide staff the opportunity to make personal contact with our new transit service partners.

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

October Financial Statements - Attached are the monthly financial statements for FY 2011/12 through October 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 10/31/2011

% of Year Elapsed 33.7%

	Current Month	Prior Year Actual	2011/12 Budget	2011/12 Actual	% of Budget
Operating Expenses:					
Planning & General Administration:					
Wages and Fringe Benefits	97,555	1,451,663	1,546,000	427,848	27.7%
Services	150,199	2,712,835	2,199,000	548,813	25.0%
Materials and Supplies	1,947	32,616	51,000	5,429	10.6%
Utilities	894	12,032	15,000	3,016	20.1%
Insurance	-	29,767	33,000	15,383	46.6%
Miscellaneous	1,193	42,390	128,000	5,124	4.0%
Leases and Rentals	24,196	290,944	298,000	97,145	32.6%
Sub-Total Planning & Gen Admin	275,984	4,572,247	4,270,000	1,102,758	25.8%
Ferry Operation:					
Vessel Operation	326,525		5,117,814	1,544,962	30.2%
Vessel Maintenance	88,377		1,385,185	426,392	30.8%
Facility Maintenance	26,742		419,144	94,483	22.5%
General & Administration	9,653		151,300	34,935	23.1%
Sub-Total Ferry Operation	451,297	-	7,073,443	2,100,772	29.7%
Total Operating Expenses	727,281	4,572,247	11,343,443	3,203,530	28.2%
Total Capital Expenses	1,657,384	21,835,930	24,392,774	4,893,625	20.1%
Total Expenses	2,384,665	26,408,177	35,736,217	8,097,155	22.7%

Operating Revenues

Fare Revenue	120,041		2,982,383	957,511	32.1%
Local - Bridge Toll	578,231	4,572,247	7,782,866	2,040,256	26.2%
Local - TIF	29,009		500,000	166,668	33.3%
Local - LLAD	-		78,194	39,096	50.0%
Total Operating Revenues	727,281	4,572,247	11,343,443	3,203,530	28.2%
Total Capital Revenues	1,657,384	21,835,930	24,392,774	4,893,625	20.1%
Total Revenues	2,384,665	26,408,177	35,736,217	8,097,155	22.7%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2011/12 Statement of Capital Revenues and Expenses
For Period Ending 10/31/2011

Project Description	Current Month	Project Budget	Prior Year Actual	2011/12 Budget	2011/12 Actual	Future Year	% of Project
Capital Expenses:							
SSF Mitigation Study	-	275,000	42,459	232,541	1,902	0	16%
SSF Terminal Construction	960,317	26,000,000	15,414,540	10,509,460	2,987,848	76,000	71%
Berkeley Environ/Conceptual Design	6,911	2,304,700	1,785,235	519,465	17,102	-	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	257,860	3,150,000	1,733,540	1,416,460	1,214,866	-	94%
Environmental Studies/Conceptual Design	16,958	3,250,000	251,465	2,998,535	62,039	-	10%
Central Bay Ops/Maint Fac - Environ/Design	4,691	2,600,000	362,872	2,237,128	27,456	-	15%
Central Bay Ops/Maint Fac - Construction		30,000,000	-	130,000	-	29,870,000	0%
Passenger / Emergency Float	3,188	2,500,000	90,000	1,500,000	3,188	910,000	4%
S.F. Berthing - Environ/Conceptual Design	3,638	3,300,000	950,349	1,861,651	170,044	488,000	34%
Vessel Engine Overhaul	-	1,103,564	-	1,103,564	-	-	0%
Vessel Mid-Life Overhaul - Bay Breeze	-	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	403,821	475,000	-	475,000	403,821	-	85%
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	1,657,384	85,102,704	21,835,930	24,392,774	4,893,625	38,874,000	
Capital Revenues:							
Federal	557,146	23,233,404	8,839,892	7,794,447	1,830,903	6,599,065	46%
State	157,829	42,078,461	4,775,865	9,582,205	748,114	27,720,392	13%
Local - Bridge Toll	564,619	7,616,713	4,497,839	2,433,169	1,129,275	685,705	74%
Local - San Mateo Sales Tax Measure A	377,790	10,935,686	3,546,535	4,420,314	1,182,950	2,968,837	43%
Local - Alameda Sales Tax Measure B	-	1,238,440	175,800	162,640	2,383	900,000	14%
Total Capital Revenues	1,657,384	85,102,704	21,835,930	24,392,774	4,893,625	38,874,000	

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Peter Friedmann
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DATE: December 2, 2011
TO: WETA Board Members
FROM: Peter Friedmann
Tel: 202-783-3333 Fax: 202-783-4422 OurManInDC@federalrelations.com
SUBJECT: Report to the Board

This year Congress used up all its oxygen debating the deficit and the budget. But they realized they are going to have to deal with some pressing problems, and there is growing recognition that somehow, somewhere they are going to have to come up with a comprehensive transportation infrastructure bill. In fact, this is something that both the House and the Senate can agree on, and both Republicans and Democrats can agree. Right now the log jam is on determining how to pay for all the transportation programs. I am getting a sense that by January they will figure this out, and we will finally have a transportation bill.

Then the question is, will there continue to be a ferry program? Will it be a separate program, or will ferries have to fight with highways, other transit systems for a piece of the pie? Fortunately, our supporters in the House and Senate are not giving up on their objective of having a Ferry Title inserted into whatever transportation bill Congress passes. Such a Ferry Title would "protect" some amount of funding for ferries. It could not be raided by the massive highway and giant transit agencies. We are working with the Public Ferry Coalition to craft a Ferry Title that will assure that WETA will continue to benefit from a steady stream of funding.

In the meantime, while we wait for a new bill, WETA has benefited by a set-aside, which was inserted into the last Transportation Authorization bill six years ago. This is a gift that keeps on giving as we work with WETA staff to access this significant set-aside each year.

So, what are the funding choices for transportation? The current gas tax just does not raise enough money. Cars are getting better mileage, nationally people are driving less as the price of gas has gone up, and ethanol is exempt. The amount of money coming into the Highway Trust Fund each year is about half of what is needed to maintain existing highway/transit programs, much less pay for new and expanding programs. Remember, five years ago the federal government spent only \$28 million each year for ferries. Since then, we have lobbied successfully to get that up to approximately \$70 million. And our current proposal for a Ferry Title in the next transportation bill would raise that to nearly \$200 million. This might be optimistic, but it's our current objective – to increase the federal support for ferries.

In the House of Representatives, the Republican Majority has proposed to expand domestic resource (oil and gas) extraction. They would open areas currently off limits to drilling, significantly increasing federal royalties, which, under the House Republican proposal, would be devoted entirely to paying for transportation infrastructure.

The Senate Democratic Majority is not interested in expanding drilling into environmentally sensitive protected areas. They are charging the Senate Finance Committee with developing some form of tax or revenue measure that would raise the necessary funds. In this environment, no one is interested in imposing new user fees or taxes, so that is a tall order.

Over the holidays, my sense is that the House and Senate will reach some sort of compromise that would generate sufficient new revenue for a transportation bill, that's our New Year's resolution!

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(November 3, 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 1:05 p.m. Directors present were Vice Chair Anthony Intintoli, Director Beverly Johnson and Director John O' Rourke.

2. REPORT OF BOARD CHAIR

Chair Johnson noted that she and Executive Director Nina Rannells had met with Eddie Orton of Orton Redevelopment at the Rosie the Riveter Museum in Richmond, CA regarding his support of potential Richmond ferry service.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Nina Rannells elaborated on the Board Chair's report, noting that using a pre-existing terminal facility in Richmond had been discussed. She said that modifying and using such a terminal instead of building a new one could potentially lower construction costs and accelerate implementation of the Richmond service, but further investigation would be required to determine the modifications necessary to ensure that the facility meets all of WETA's operational needs and requirements. She also reminded the Board that environmental review of the Richmond service was already underway. Chair Johnson remarked that it would be a coup for WETA to be able to re-use an existing dock.

Ms. Rannells noted that WETA's federal legislative representative Peter Friedmann of Lindsay, Hart, Neil & Weigler, LLP reported positive movement toward recapturing \$2.5 million annual set-aside funding for WETA through ISTEA, and being able to reach back and collect it for the years it had not been paid. She noted that in a time when competition for limited funds had grown so competitive this was especially good news and noted her thanks to Mr. Friedmann.

Director Johnson asked if these funds were for capital projects or operations. Ms. Rannells replied that they were for WETA-defined capital projects and that they could be used for any capital needs such as replacement vessels or the Vallejo maintenance facility depending on its eligibility for federal funding.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve the consent calendar, including minutes from the October 6, 2011 Board meeting and the WETA Board of Directors' meeting schedule for 2012. Director O' Rourke seconded the motion and the item carried unanimously.

6. APPROVE A FERRY SERVICE FARE POLICY

Planner/Analyst Michael Gougherty presented this item requesting Board approval of an agency fare policy to guide the establishment and modification of ferry service fares. He noted that due to limited operating subsidy, WETA must establish system fares to support a share of annual system operating costs. The proposed fare policy was designed to support both system cost recovery and promote system ridership. He reviewed these elements of the policy and noted that once a policy was adopted, work would begin on determining a fare structure for the upcoming South San Francisco service which would be brought to the Board for approval at a later date. Mr. Gougherty then invited questions from the Board, also noting the presence of Chris Wornum of Cambridge Systematics who had helped to prepare the policy in conjunction with WETA staff.

Director Johnson asked if system cost recovery was calculated per route or system-wide. Ms. Rannells answered that it was currently per route for reporting to MTC. Director Johnson noted that this should be specified in the policy.

Vice Chair Intintoli made a motion to approve the item with Director Johnson's change that cost recovery be specified as per route. Director O' Rourke seconded the motion and the item carried unanimously.

7. APPROVE FISCAL YEAR 2011/12 BUDGET FOR THE VALLEJO FERRY SERVICE

Ms. Rannells presented this item requesting Board approval of a proposed Fiscal Year 2011/12 Budget for the Vallejo Ferry Service. Ms. Rannells noted that WETA did not anticipate the transfer of operations to occur for several months and that the budget before the Board was for the full year as adopted by the City of Vallejo. She noted that the estimated revenue and expenditure split between operations under the City of Vallejo and operations under WETA is a projection based upon an estimated December 31 transfer and that the final system budget under WETA would be determined based upon the actual date of the system transfer.

She noted that there were two major capital projects in the budget, the channel dredging and the repower of the *Intintoli* and *Mare Island* ferries.

Vice Chair Intintoli noted that it appeared that farebox recovery was about 45% for the Vallejo service. Ms. Rannells replied that in recent years it had been between 45% and 50% and was within MTC's 30% requirement to be eligible for RM2 funds.

Director Johnson asked what Route 200 was. Ms. Rannells replied that it was a complementary bus service funded by the Baylink ferry system and intended to augment the ferry schedule. This service would be operated on behalf of WETA under agreement with SolTrans, which is the agency that recently took over the Vallejo bus operation. Vice Chair Intintoli noted that the cost had previously been approximately \$1.5 million per year. Ms. Rannells noted that the lower amount was due to the recent service reductions intended to focus ridership back to ferry service.

Director Johnson asked for clarification on why Route 200 wasn't broken out of the budget with detailed expenses related to the bus service. Ms. Rannells replied that the bus service was a single line expense as it was operated under contract.

Director Johnson asked if the City of Vallejo had adopted the transfer agreement that the Board approved on October 6. Ms. Rannells replied that the City had approved it on October 11. Vice Chair Intintoli added that the Council had passed it on a vote of 6 to 1.

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

8. AUTHORIZE ACTIONS ASSOCIATED WITH THE REPLACEMENT OF THE HARBOR BAY EXPRESS II VESSEL

Operations Manager Keith Stahnke presented this item requesting the Board to authorize staff to develop plans and take actions necessary to retire and replace the Harbor Bay Express II vessel. He noted that the Express II had served as a back-up vessel to the Bay Breeze for Harbor Bay service but that in recent years WETA's vessel Pisces had replaced it as the primary back-up due to the marginal condition and reliability of the Express II. Mr. Stahnke said that from an operational and economical perspective the Express II had reached the end of its useful life.

Public Comment

Veronica Sanchez of Masters, Mates & Pilots noted that she may be the only fan of the Express II and asked if it could be useful for emergency response or in service to a shallower port due to its low draft.

Chair Johnson said that the vessel was a complete drain and needed to go immediately and that not another dime should be spent on it. Ms. Sanchez said that she understood that position but suggested it be kept in mind for future needs where the low draft could be a factor.

Chair Johnson asked if it had any value or could even be sold. Mr. Stahnke said that it was possible that a buyer could be found or it could be sold as scrap, adding that the hull would need a minimum of \$100,000 in work before the boat could pass Coast Guard certification. Ms. Rannells added that historically the boat had never performed well for the service.

Director Johnson said that if WETA should consider a plan for a similar boat if it needed to be replaced. Ms. Rannells said that there would be a need for more boats and Mr. Stahnke added that there would just barely be enough boats in the fleet to cover all the routes with two Vallejo Baylink vessels being refurbished, the loss of the Express II, and the start of the South San Francisco service. Director Johnson said that there should be a plan to maximize usefulness of any new boats to prevent having another boat that sits out as the Express II had.

Ms. Rannells added that building new boats required extensive environmental clearance while replacing existing vessels did not, so replacement had practical considerations. She also noted that the need for replacement vessels would be included in the Short Range Transit Plan that staff is starting to develop in order to meet MTC's planning and fund programming requirements.

Mr. Stahnke added the *Encinal* is also approaching end-of-life but that they would attempt to hold onto it for as long as was practical. Ms. Rannells said that securing enough funding for a replacement vessel will be a challenge. She said that staff will look at all funding options and opportunities and put together a plan for moving forward with a replacement.

Director Johnson suggested that WETA have a long-term plan for vessel replacements that identifies vessel lifespans and anticipates replacement needs. Ms. Rannells concurred and indicated that this is part of what the Short Range Transit Plan will include.

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

9. AUTHORIZE RELEASE OF A REQUEST FOR QUALIFICATIONS (RFQ) FOR MARKETING AND PUBLIC INFORMATION SERVICES

Ms. Rannells introduced this item requesting that the Board authorize the release of a Request for Qualifications for Consulting Services in order to provide a variety of ongoing marketing and public

information services. She noted that this RFQ was intended to provide WETA with a list of on-call marketing and public information service providers for use in the coming years similar to WETA's previous RFQs for on call planning and marine engineering services.

Director Johnson indicated her appreciation for the new customer-facing service name and logo. Director O' Rourke made a motion to approve the item. Vice Chair Intintoli seconded the motion and the item carried unanimously.

10. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 1:44 p.m. Upon reopening of the meeting at 2:27 p.m. she reported that no action had been taken.

11. ADJOURNMENT

All business having concluded, the meeting was adjourned at 2:27 p.m.

Respectfully Submitted,
Board Secretary

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Execution of a Pass-Through Agreement with the City of Vallejo to Provide Proposition 1B Funds to Support the Vallejo Ferry Maintenance Facility Project

Recommendation

Authorize the Executive Director to execute a grant pass-through agreement between the San Francisco Bay Area Water Emergency Transportation Authority (WETA) and City of Vallejo (City) to provide \$5,000,000 of 2007/08 Proposition 1B CTSGP-RPWT funds to support construction of the Vallejo Ferry Maintenance Facility project.

Background

The Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, approved by California voters as Proposition 1B in the November 07, 2006 general election, authorizes the issuance of general obligation bonds for specified purposes, including for Regional Public Waterborne Transit eligible capital expenditures. Per SB 976, WETA is the designated recipient of the Proposition 1B waterborne funds which are managed through the California Emergency Management Agency (CalEMA). The FY 2007/08 Proposition 1B program of projects approved by the WETA Board and funded by CalEMA included \$5,000,000 for the Vallejo Ferry Maintenance Facility project.

Discussion

The Vallejo Ferry Maintenance Facility project, as planned, 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.

While WETA will ultimately be the owner and administrator of the Vallejo Ferry Service and will be the entity utilizing the new maintenance facility, the City will continue to serve as the project manager and lead agency for construction of Phases 1 and 2 of the Ferry Maintenance Facility Project given that they are most familiar with the project (having developed it over the past ten years) and have direct lease/ownership rights over the maintenance facility property on Mare Island.

As the project lead, the City issued an RFP for construction of Phases 1 and 2 of this project in October and bids were received on December 2. Approximately \$9 million is available for project construction from Proposition 1B, STIP and FTA sources. Staff will provide an update on the status of the bid proposals and contract award at the Board meeting.

In passing through Proposition 1B CTSGP-RPWT grant funds WETA will be responsible for administering funds and ensuring compliance with all grant-related project requirements. Work associated with this effort will include such items as passing through funds for eligible expenditures, preparing and submitting required project reports to funding agencies, and oversight and monitoring of the project for compliance. The City will be responsible for implementing the project in accordance with all grant requirements. In addition, consistent with Proposition 1B CTSGP-RPWT grant restrictions, and as required by CalEMA, in order for WETA to pass through these funds to the City, WETA must take title to and own assets in an amount equal to that passed through. As a result, upon completion of the project the City will transfer five million dollars (\$5,000,000) of the project assets to WETA.

Fiscal Impact

There is no fiscal impact associated with this item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
John Sindzinski, Manager, Planning & Development
Keith Stahnke, Manager, Operations
Ernest Sanchez, Manager, Transportation Services

SUBJECT: Overview of the South San Francisco Ferry Service Implementation
Activities

Recommendation

No action is requested as this is an information item only.

Discussion

As we get closer to the completion of the South San Francisco Ferry Terminal at Oyster Point and the launch of WETA's first expansion ferry service staff is in the process overseeing many activities required to support this service start-up. These include such items as overseeing final terminal construction details, developing a ferry service schedule, finalizing the complementary feeder bus system at Oyster Point, developing marketing, outreach and ribbon-cutting activities and events, finalizing a new system website, establishing a service budget and related passenger fare and implementing the Clipper passenger payment system. Staff will provide an overview of these activities and the projected timeline for implementation at the Board meeting on December 8.

Fiscal Impact

There is no fiscal impact associated with this informational report.