

Members of the Board

Jody Breckenridge, Chair
Jeffrey DelBono
Timothy Donovan
Anthony J. Intintoli, Jr.
James Wunderman, Vice Chair

BOARD OF DIRECTORS MEETING

Thursday, December 7, 2017 at 1:00 p.m.

San Francisco Bay Area

Water Emergency Transportation Authority

Pier 9, Suite 111

San Francisco

NOTE: New Location

The full agenda packet is available for download at sanfranciscobayferry.com/weta

AGENDA

1. CALL TO ORDER – BOARD CHAIR
2. PLEDGE OF ALLEGIANCE/ROLL CALL
3. REPORT OF BOARD CHAIR *Information*
4. REPORTS OF DIRECTORS *Information*
5. REPORTS OF STAFF *Information*
 - a. Executive Director's Report on Agency Projects, Activities and Services
 - b. Monthly Review of Financial Statements
 - c. Legislative Update
6. ADOPT A RESOLUTION OF APPRECIATION FOR BOARD MEMBER TIM DONOVAN *Action*
7. CONSENT CALENDAR *Action*
 - a. Board Meeting Minutes – November 9, 2017
 - b. Approve Board of Directors Meeting Schedule for Calendar Year 2018
 - c. Authorize Release of a Request for Proposals for Information Technology Services
8. APPROVE CONTRACT AWARD TO MARINE GROUP BOAT WORKS FOR PHASE TWO MID-LIFE REFURBISHMENT OF THE MV PERALTA *Action*
9. AUTHORIZE ACTIONS ASSOCIATED WITH PROCUREMENT OF A NEW 250 PASSENGER FAST FERRY VESSEL *Action*
10. REVIEW OF SPECIAL EVENT FARE FINANCIAL PERFORMANCE *Information/Action*
11. CENTRAL BAY OPERATIONS AND MAINTENANCE FACILITY PROJECT UPDATE *Information/Action*

**Water Emergency Transportation Authority
December 7, 2017 Meeting of the Board of Directors**

12. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

All items appearing on the agenda are subject to action by the Board of Directors. Staff recommendations are subject to action and change by the Board of Directors.

PUBLIC COMMENTS The WETA welcomes comments from the public. Each person wishing to address the Board of Directors is requested to complete a Speaker Card. Please forward completed Speaker Card and any reports/handouts to the Board Secretary. Speakers will be allotted no more than three (3) minutes to speak and will be heard in the order of sign-up. Said time frames may be extended only upon approval of the Board of Directors.

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.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item.

WETA meetings are wheelchair accessible. Upon request, WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. In addition, the WETA will arrange for disability-related modifications or accommodations including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. Please send a written request including your name, mailing address, telephone number and brief description of the requested materials in preferred alternative format and/or auxiliary aid or service at least five (5) days before the meeting. Requests should be made by mail to: Board Secretary, WETA, 9 Pier, Suite 111, San Francisco, CA 94111; by e-mail to: contactus@watertransit.org; or by telephone: (415) 291-3377.

MEMORANDUM

TO: WETA Board Members

FROM: Nina Rannells, Executive Director

DATE: December 7, 2017

RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE

4 New Vessels – Central Bay

This project will construct four new high-speed propeller vessels; two to replace the MV *Encinal* and *Harbor Bay Express II* and two to support the growing demand for WETA services.

The Board of Directors approved a contract with Aurora Marine Design (AMD) for vessel construction management services in December 2013, and with Kvichak Marine Industries - now Vigor Kvichak (Vigor) - in April 2015 for the construction of two new replacement vessels. Vessel construction began in September 2015. The first of these vessels, the MV *Hydrus*, was completed in March and put into revenue service in April 2017. The second of these vessels, the MV *Cetus*, was placed into revenue service in August 2017.

On October 6, 2016 the Board of Directors approved a contract award to Vigor for construction of two additional vessels, and with Aurora Marine Design for construction management services. Progress to date; Vessel 3 is currently on schedule for completion in March 2018, and Vessel 4 is scheduled for completion in November 2018.

3 New Vessels – North Bay

This project will construct three new high-speed jet propulsion vessels; one to replace the MV *Vallejo* and two to support WETA's plans to meet Vallejo service demand and operate new Richmond ferry service. In December 2015, the Board of Directors approved a contract with Fast Ferry Management for vessel construction management services. On September 1, 2016 the Board of Directors approved a contract award to Dakota Creek Industries for vessel construction. Initial vessel construction is underway.

The design and engineering work for the three new vessels is over 90% complete and it is expected to wrap up by the end of this month. All major machinery and equipment has been ordered. The first shipset of waterjets has been delivered. The new generation EPA Tier 4 engines underwent factory testing in October and will be delivered to the shipyard in February 2018. The shipyard has laid keels for the first two vessels. The hulls for the first and second vessels are respectively 75% and 45% complete. All hull framing for the third vessel is also complete, and the first vessel is scheduled for delivery in December 2018.

MV *Taurus* Quarter-Life Project

This project provides for a general refurbishment of the vessel and includes increasing the passenger capacity from 199 to 225. On June 8, 2017 the Board of Directors approved a contract award to Bay Ship & Yacht. Work on this project was completed on November 24, 2017.

Vallejo Ferry Terminal Dredging

This project will dredge the Vallejo Ferry Terminal basin which filled in with silt after heavy river runoff from major winter storms. The Board of Directors awarded a contract to Dutra Construction Company at the September 2017 meeting and work was completed November 5.

North Bay Operations and Maintenance Facility

This project constructed a new ferry operations and maintenance facility located on Mare Island in Vallejo. Landside construction was completed by West Bay Builders and waterside construction was completed by Dutra Construction Company. Construction management services were provided by Weston Solutions, Inc. Operations and maintenance staff completed their transition into the new facility during the first week of January 2017, and the clean-up and closeout of the old maintenance site is complete. A final component of this project was to complete pile reconfiguration and modification work. This work began in October 2017 and, despite a delay in delivery of the new piles, staff worked with the project's permitting consultants and was able to secure an extension of the allowable work window to complete the project in November.

Central Bay Operations and Maintenance Facility

This project will construct a new ferry operations and maintenance facility at Alameda Point to serve as the base for WETA's existing and future Central Bay ferry fleet and operations. The project is being constructed by Overaa/Power, a Joint Venture, and construction management is being provided by 4Leaf, Inc. The building exterior skin was recently installed, and the waterside installation of floats and piles was completed last month. The project is scheduled for completion in the spring or summer of 2018.

Downtown San Francisco Ferry Terminal Expansion Project

This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new and existing ferry services to San Francisco. The project also includes landside improvements needed to accommodate expected increases in ridership, and to support emergency response capabilities. Project construction is being provided by Power Engineering under a Guaranteed Maximum Price contract, and construction management is being provided by CH2M Hill Engineers.

Site work began in February 2017, including the installation of construction fencing, site demolition, and placement of seismic, noise, vibration, and settlement monitoring devices. Dredging and pile driving work began in June and will continue into the early fall. Last month, the contractor finished driving 119 piles and started to pour concrete to construct the new promenade and pedestrian bridge which will provide access to future Gates F and G. This project is scheduled to be completed in late 2019.

Richmond Ferry Terminal and Service

This project will construct a ferry terminal in Richmond to support new public transit ferry service between Richmond and San Francisco. Construction will consist of replacement of an existing facility (float and gangway) and a phased parking plan. Manson Construction is the main contractor and construction management is being provided by Ghiradelli Associates. New service will be operated with the support of Contra Costa County Measure J funds authorized by the Contra Costa County Transportation Authority in March 2015 and any remaining balance of RM2 operating funds not needed to support existing services.

Project dredging and pile removal was completed in October. The waterside pile installation was completed in November. Construction of the landside portion of the terminal is expected to begin in January 2018. The estimated start date for Richmond operations is currently September 2018.

SERVICE DEVELOPMENT UPDATE

Treasure Island Service

This project - which will be implemented by the Treasure Island Development Authority (TIDA), the San Francisco County Transportation Authority (acting in its capacity as the Treasure Island Mobility Management Authority), and the prospective developer - will institute new ferry service to be operated by WETA between Treasure Island and downtown San Francisco in connection with the planned Treasure Island Development Project. The anticipated start of operations would be 2023 given the current project schedule.

WETA staff is working with City of San Francisco staff to support development of this project. In that capacity, they are participating in regular meetings of the City's Technical Advisory Committee, convened to update and further develop the Treasure Island Mobility Management Program that will include a new ferry service to be provided in conjunction with the development project.

Alameda Seaplane Lagoon Ferry Terminal

In April 2016, the Alameda City Council and WETA Board of Directors adopted a MOU defining a future service concept for western Alameda and identifying the terms and conditions under which a new Seaplane Lagoon Ferry Service would be implemented. The MOU defines roles and responsibilities for each party pertaining to the proposed construction of a new ferry terminal along Seaplane Lagoon on the former Naval Air Station at Alameda Point, future operation of the service, and the pursuit of funds necessary to support the new service. Staff will continue to work with the City to fulfill WETA's commitments under the MOU with the common goal of achieving the start of service by 2020.

Mission Bay Ferry Landing

The Port of San Francisco released an engineering feasibility and site selection study for a future Mission Bay ferry landing in March 2016. WETA staff participated in the study and provided input regarding ferry operations and potential service models. In December 2016, the Port of San Francisco awarded a contract to COWI/OLMM to complete preliminary design, permitting and entitlement activities, and began the process in partnership with WETA. To support the effort, the City and Port of San Francisco placed \$7 million in its capital budget. A project MOU between the Port and WETA was adopted by the WETA Board in January 2017. Staff has been working together with Port staff and their consultants on initial design and environmental testing activities. Port staff anticipates releasing an environmental document in the early part of 2018 along with public outreach to Mission Bay stakeholders.

Redwood City Ferry Terminal

A Draft Redwood City Ferry Terminal site feasibility report was completed in 2012 in an effort to identify site opportunities, constraints and design requirements, and better understand project feasibility and costs associated with the development of a terminal and service to Redwood City. During the summer of 2016, staff from the Port, WETA and the City of Redwood City met to redefine the project, shifting the development toward a public facility available to multiple ferry operators in advance of formal WETA service given the lack of project funds for such service at this time. This alternative development model will allow the Port and City to move forward with construction of a terminal, allowing time for WETA and the City to advocate for operational and vessel funding for eventual WETA service. Staff is working with City and Port officials along with staff from the San Mateo Transportation Authority on a project MOU.

SYSTEM PLANS/STUDIES

Passenger Intercept Survey

This project is a systemwide survey of WETA riders that will provide staff with important information about how and why riders use the ferry, their demographic and socioeconomic characteristics, as well as their current satisfaction with WETA services. The Passenger Intercept Survey is administered on a triennial basis, and provides data required to meet FTA and Metropolitan Transportation Commission (MTC) reporting requirements, as well as information needed to effectively plan, market, and provide customer service for WETA services. Staff secured the on-call planning services of CDM Smith to administer the survey and prepare a final report summarizing the results. CDM Smith conducted the surveys on all WETA routes during the first two weeks of November. Initial counts show that the surveyors received upwards of 1,600 completed surveys. The final report is scheduled to be completed in March 2018.

Alameda Terminals Access Initiatives

The City of Alameda City Council authorized a residential parking permit program for the Harbor Bay Ferry Terminal area in February 2017. City of Alameda staff coordinated with the Harbor Bay Master Homeowner's Association to develop a strategy for implementing the residential permit and enforcement program, including outreach to surrounding communities and ferry riders. On June 27, the City began the outreach effort with cooperation from WETA through the Bay Alerts system. The City continued its outreach process through the end of August and began active enforcement in September 2017. To make up for the loss of parking, WETA began working with the City to develop strategies to enhance alternative access to the terminal, and staff executed an agreement with AC Transit to offer a free transfer to ferry riders who take the bus to the ferry. In addition, bike lockers were upgraded and new bike racks were installed.

At the request of the Harbor Bay Homeowner's Association and the City of Alameda, WETA has been considering a parking fee at the Harbor Bay lot. WETA staff has engaged CDM Smith to evaluate potential parking fee programs, not just for Harbor Bay but for the entire WETA system. A program of systemwide parking fee program policy goals was approved by the WETA Board in November 2016 that will be used to guide the development of a specific paid parking program for the Harbor Bay Terminal site. Staff anticipates bringing a recommendation for a parking fee program in early 2018.

At Main Street, WETA worked with City of Alameda staff beginning in spring 2015 to open the Officer's Club parking lot as an overflow lot for the many riders who had been parking on dirt lots or on the shoulders of Main Street. WETA funded a new crosswalk and minor improvements to the lot, which opened to ferry riders on May 24, 2016. In addition to the parking improvements, 20 bicycle lockers at the Main Street terminal -- funded through a grant from the Bay Area Air Quality Management District -- were installed on February 22, 2016. Staff shifted focus to identify additional access improvement possibilities - such as buses, shuttles, bicycles, and pedestrian improvements - after the parking improvements were underway, and recently met with private companies like Lyft, Chariot and Scoop in an effort to explore alternative options for improving transportation options for ferry riders in Alameda and elsewhere.

Berkeley Environmental Studies

The proposed Berkeley service will provide an alternative transportation link between Berkeley and downtown San Francisco. Staff has coordinated with Federal Transit Administration (FTA) staff to discuss the process for completion of the Final EIS/EIR. FTA has indicated that it will not be able to complete the NEPA process and issue a Record of Decision because a long-term operational funding source is not available for the service at this time. Staff will work with the new Mayor and City Council of Berkeley in the coming months to review the project work to date and discuss opportunities to move this project forward in the near future.

Solano County Water Transit Plan and Financial Feasibility Study

The Solano Transportation Authority (STA) is preparing to conduct a feasibility study of potential ferry and water transit routes in Solano County. STA has asked WETA to partner on the study by serving on a Technical Advisory Committee and funding the necessary ridership forecasting tasks, similar to the role WETA played in the 2014 Ferry Feasibility Study in Contra Costa County. The STA study is expected to begin by January and be complete in the summer of 2018. Staff will provide the Board with updates as the study progresses.

EMERGENCY RESPONSE ACTIVITIES UPDATE

WETA's enabling legislation, SB 976 as amended by SB 1093, directs the agency to provide comprehensive water transportation and emergency coordination services for the Bay Area region. Staff is currently working on the following emergency response related activities:

Operation Return & Evacuation Workshop:

On December 11, WETA will participate in a workshop focused on implementing the City and County of San Francisco's (CCSF) Operation Return Plan which details the method in which the CCSF will recall to duty and transport Disaster Service Workers (DSWs) and emergency responders who work for CCSF but live outside of the city. The workshop will provide the opportunity for participants to increase overall understanding of the thresholds in various local, regional, state, and federal survivor and DSW movement plans. The goal of the workshop is to discuss planning gaps and work to develop a common understanding of a coordinated, tiered, multi-layered, multi-agency, and multi-discipline survivor and DSW movement coordination strategy. The CCSF will build on the understanding gained in this workshop by conducting a table top exercise during Epicenter 2018, a two day emergency response conference that will be held on April 10 & 11.

OPERATIONS REPORT

Monthly Operating Statistics - The Monthly Operating Statistics Report for October 2017 is provided as Attachment A.

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On December 4, Lauren Gularte attended the Regional Title VI Working Group Conference and moderated a panel on Title VI Complaints and Investigations.

On November 8, Chad Mason and Taylor Rutsch presented a Richmond Ferry terminal Project update to the Marina Bay Neighborhood Council.

On November 14, Keith Stahnke attended the San Francisco Department of the Environment Renewable Diesel Workshop.

On November 15, Kevin Connolly attended the City of Alameda Transportation Commission meeting.

On November 27, Nina Rannells participated in a regional means based fare meeting lead by MTC.

On November 29, Nina Rannells, Kevin Connolly, Chad Mason and Michael Gougherty attended the Annual Silver SPUR awards where Boris Dramov and Bonnie Fisher of Roma Design were honored for their lifetime commitment to making the San Francisco Bay Area a better place to live and work. Roma Design is the architectural design firm for our South San Francisco Terminal, Central Bay Maintenance and Operations Facility and the Downtown San Francisco Ferry Terminal Expansion Project.

OTHER BUSINESS

Assembly Bill 1121 (Chiu)

Assemblymember David Chiu (D) San Francisco, introduced AB-1121 to make changes to WETA and enhance its ability to provide regional ferry services in the Bay Area. The bill, which passed to the Senate on May 18, 2017, includes language to increase the membership of the WETA Board of Directors to nine members, with five members to be appointed by the Governor, two members to be appointed by the Senate Committee on Rules and two members to be appointed by the Speaker of the Assembly. This has been made into a two-year bill that can be considered next year by the legislature.

Senate Bill 595 (Beall) - Regional Measure 3

Senate Bill 595 (SB 595) was introduced by Senator Beall on February 17, 2017 to authorize a new bridge toll measure to raise the tolls on the state-owned bridges to fund a program of transportation improvements. The Board adopted a Regional Measure Three Principles and Investment Program at its June 2017 meeting and authorized staff to communicate a support position for the bill at its meeting in July.

SB 595 was enrolled on September 19 and signed by the Governor on October 10, 2017. The final bill provides \$300 million for WETA capital projects and an annual operating set-aside of \$10 million in the first year of allocation, \$15 million in the second year, \$20 million in the third year, \$25 million in the fourth year and \$35 million in the fifth year and thereafter. These amounts would be reduced by a pro-rata share in the event that something less than a three dollar toll is approved. Operating funds not allocated in a given year will be set aside in a reserve for use by WETA in future years.

Renewable Diesel Investigation

The Port of San Francisco has approached Bay Area ferry operators to request that they switch to utilizing renewable diesel for the operation of ferry vessels in 2018. This request is on behalf of Mayor Lee, and is a follow-on to his initiative to convert San Francisco's public fleet to renewable diesel. Staff is working with its propulsion and emission treatment equipment manufacturers to encourage testing of this plant-based fuel for compatibility with WETA engines and after treatment systems.

Federal Transit Administration Review

WETA has received notification of the upcoming Federal Transit Administration (FTA) Comprehensive Review scheduled to take place in 2018. Recipients of FTA funds are required to undergo this review every three years, to assess management practices and program implementation, and ensure that the recipient programs are administered in accordance with FTA requirements and objectives. Staff is gathering the required pre-audit materials to transmit to FTA by January 31, 2018, and the on-site review is scheduled to take place on July 19 and 20, 2018.

Organizational Review

Staff has engaged the services of Koff & Associates, a local Human Resources consulting firm, to assist in a variety of general and specific human resources needs and projects. An early task will be to review position requirements and job descriptions and prepare a market compensation study consistent with the compensation policy included in WETA's Human Resources Guide. A draft of this initial work is expected to be received in December.

END

Attachment A

Monthly Operating Statistics Report October 2017

		Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo*	Systemwide
vs. last month	Total Passengers October 2017	116,951	31,019	12,727	88,560	249,257
	Total Passengers September 2017	117,543	26,496	11,418	93,844	249,301
	Percent change	-0.50%	17.07%	11.46%	-5.63%	-0.02%
Boardings	vs. same month last year	116,951	31,019	12,727	88,560	249,257
		103,107	27,322	11,566	84,420	226,415
		13.43%	13.53%	10.04%	4.90%	10.09%
	vs. prior FY to date	512,647	114,332	48,635	394,384	1,069,998
	Total Passengers Current FY To Date	478,986	108,358	45,575	374,540	1,007,459
	Total Passengers Last FY To Date	7.03%	5.51%	6.71%	5.30%	6.21%
	Percent change					
Ops Stats	Avg Weekday Ridership October 2017	3,720	1,410	579	3,323	9,031
	Passengers Per Hour	137	217	75	131	135
	Revenue Hours	853	143	170	678	1,844
Fuel	Revenue Miles	11,880	3,161	2,701	21,669	39,411
	Fuel Used (gallons)	66,550	16,764	17,978	164,764	266,056
	Avg Cost per gallon	\$2.27	\$2.27	\$2.27	\$2.20	\$2.23

* Includes backup bus boardings. October bus ridership totaled 200 for Vallejo.

MEMORANDUM

TO: Board Members

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

**SUBJECT: Monthly Review of FY 2017/18 Financial Statements for Four Months
Ending October 31, 2017**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2017/18 Financial Statements for four months ending October 31, 2017.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenues	\$7,156,596	\$6,351,720	\$7,681,305
Bridge Toll Revenues	4,067,683	7,145,087	5,097,122
Other Revenues	1,050	245,326	600
Total Operating Revenues	\$11,225,329	\$13,742,133	\$12,779,027
Expenses - Year To Date:			
Planning & Administration	\$596,385	\$1,010,959	\$497,834
Ferry Services	10,628,944	12,731,174	12,281,194
Total Operations Expenses	\$11,225,329	\$13,742,133	\$12,779,027
System-Wide Farebox Recovery %	67%	50%	63%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2017/18 Budget
Revenues:		
Federal Funds	\$7,681,258	29.77%
State Funds	24,438,716	27.79%
Bridge Toll Revenues	5,783,113	26.63%
Other Revenues	25,737	1.05%
Total Capital Revenues	\$37,928,824	27.50%
Expenses:		
Total Capital Expenses	\$37,928,824	27.50%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Area Water Emergency Transportation Authority
FY 2017/18 Statement of Revenues and Expenses
For Four Months Ending 10/31/2017

% of Year Elapsed 34%

	Current Month	Year - To - Date			Total FY 2017/18 Budget	% of Total Budget
		FY2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Actual		
OPERATING EXPENSES						
<u>PLANNING & GENERAL ADMIN:</u>						
Wages and Fringe Benefits	\$72,272	\$294,201	\$478,352	\$316,042	1,419,500	22.3%
Services	59,147	364,813	558,386	268,747	1,657,000	16.2%
Materials and Supplies	4,132	4,680	29,048	8,413	86,200	9.8%
Utilities	4,392	4,690	9,604	9,955	28,500	34.9%
Insurance	-	1,178	8,762	1,201	26,000	4.6%
Miscellaneous	7,768	54,311	87,381	9,383	259,300	3.6%
Leases and Rentals	30,532	102,115	124,213	122,236	368,600	33.2%
Admin Overhead Expense Transfer	(67,245)	(229,604)	(284,787)	(238,143)	(845,100)	28.2%
Sub-Total Planning & Gen Admin	\$110,996	\$596,385	\$1,010,959	\$497,834	3,000,000	16.6%
<u>FERRY OPERATIONS:</u>						
<u>Harbor Bay FerryService</u>						
Purchased Transportation	\$136,907	\$534,871	\$683,240	\$600,745	2,027,500	29.6%
Fuel - Diesel & Urea	38,015	91,980	172,503	122,499	511,900	23.9%
Other Direct Operating Expenses	27,753	116,277	189,824	118,739	563,300	21.1%
Admin Overhead Expense Transfer	8,540	29,339	36,125	30,135	107,200	28.1%
Sub-Total Harbor Bay	\$211,215	\$772,467	\$1,081,692	\$872,117	3,209,900	27.2%
Farebox Recovery	65%	65%	49%	59%	49%	
<u>Alameda/Oakland Ferry Service</u>						
Purchased Transportation	\$913,032	\$2,815,667	\$2,890,601	\$3,164,946	8,577,800	36.9%
Fuel - Diesel & Urea	150,908	393,719	685,430	515,853	2,034,000	25.4%
Other Direct Operating Expenses	106,580	335,698	595,724	381,039	1,767,800	21.6%
Admin Overhead Expense Transfer	29,039	95,134	122,933	103,207	364,800	28.3%
Sub-Total Alameda/Oakland	\$1,199,559	\$3,640,218	\$4,294,688	\$4,165,045	12,744,400	32.7%
Farebox Recovery	53%	68%	47%	65%	47%	
<u>Vallejo FerryService</u>						
Purchased Transportation	\$1,258,395	\$3,443,905	\$3,584,827	\$3,906,078	10,637,900	36.7%
Fuel - Diesel & Urea	363,110	1,360,135	1,800,215	1,460,449	5,342,100	27.3%
Other Direct Operating Expenses	304,040	393,785	535,235	756,110	1,588,300	47.6%
Admin Overhead Expense Transfer	25,025	88,499	105,948	88,663	314,400	28.2%
Sub-Total Vallejo	\$1,950,570	\$5,286,324	\$6,026,225	\$6,211,301	17,882,700	34.7%
Farebox Recovery	47%	72%	57%	66%	57%	
<u>South San Francisco FerryService</u>						
Purchased Transportation	\$205,840	\$664,477	\$909,560	\$752,525	2,699,100	27.9%
Fuel - Diesel & Urea	40,766	123,736	196,463	121,886	583,000	20.9%
Other Direct Operating Expenses	36,284	125,090	202,765	142,181	601,700	23.6%
Admin Overhead Expense Transfer	4,641	16,632	19,781	16,138	58,700	27.5%
Sub-Total South San Francisco	\$287,530	\$929,935	\$1,328,568	\$1,032,730	3,942,500	26.2%
Farebox Recovery	32%	37%	26%	34%	26%	
Total Operating Expenses	\$3,759,870	\$11,225,329	\$13,742,133	\$12,779,027	\$40,779,500	31.3%
OPERATING REVENUES						
Fare Revenue	\$1,778,674	\$7,156,596	\$6,351,720	\$7,681,305	18,848,600	40.8%
Regional - Bridge Toll	1,981,196	4,067,683	7,145,087	5,097,122	21,202,900	24.0%
Regional - Alameda Tax & Assessment	-	-	245,326	-	728,000	0%
Other Revenue	-	1,050	-	600	-	0%
Total Operating Revenues	\$3,759,870	\$11,225,329	\$13,742,133	\$12,779,027	\$40,779,500	31.3%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2017/18 Statement of Revenues and Expenses
For Four Months Ending 10/31/2017

Project Description	Current Month	Project Budget	Prior Years Actual	FY2017/18 Budget	FY2017/18 Actual	Future Year	% of Total Project Budget
CAPITAL EXPENSES:							
FACILITIES:							
Terminal Construction							
Downtown Ferry Terminal Expansion - South Basin	2,861,895	\$97,965,000	\$15,787,480	\$36,792,520	\$9,318,204	\$45,385,000	26%
Richmond Ferry Terminal	464,130	20,000,000	2,590,699	12,409,301	\$1,550,952	5,000,000	21%
Maintenance and Operations Facilities							
North Bay Operations & Maintenance Facility	\$216,511	31,082,000	29,996,658	1,085,342	239,797	0	97%
Central Bay Operations & Maintenance Facility	7,762,189	69,500,000	31,431,761	37,068,239	\$14,753,000	1,000,000	66%
FERRY VESSELS:							
Vessel Construction							
400-Pax Replacement Vessels - M/V Hydrus & M/V Cetus	(127,433)	33,951,000	31,175,793	2,775,207	\$1,154,188	-	95%
445-Pax Replacement Vessel - M/V Vallejo	553,255	23,372,000	4,694,001	12,777,999	\$2,330,772	5,900,000	30%
445-Pax Expansion (Waterjet) Vessels - 2 vessels	536,305	46,745,000	7,619,930	11,000,070	\$3,300,273	28,125,000	23%
400-Pax Expansion (Propeller) Vessels - 2 vessels	2,931,606	33,400,000	17,552,573	10,847,427	\$2,954,062	5,000,000	61%
Vessel Rehabilitation and Refurbishment							
Vessel Mid-Life Refurbishment Phase II - M/V Peralta	7,118	5,117,000	-	5,117,000	\$20,091	-	0%
Major Component Rehabilitation - M/V Solano	-	780,000	8,503	771,497	\$5,790	-	2%
Vessel Engine Overhaul - M/V Bay Breeze	267,107	850,000	-	850,000	\$345,630	-	41%
Vessel Qtr-Life Refurbishment - M/V Taurus	882,399	2,500,000	-	2,500,000	\$1,956,065	-	78%
Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island	-	3,000,000	-	15,000	\$0	2,985,000	0%
Vessel Qtr-Life Refurbishment - M/V Scorpio	-	2,500,000	-	2,500,000	\$0	-	0%
CAPITAL EQUIPMENT / OTHER:							
CCTV and LCD Network Integration	-	400,000	-	400,000	\$0	-	0%
Purchase Lifesaving Equipment (IBAs)	-	90,000	-	90,000	\$0	-	0%
Purchase Spare Vessel Engine	-	400,000	-	400,000	\$0	-	0%
Purchase Service Vehicles	-	500,000	-	500,000	\$0	-	0%
Total Capital Expenses	16,355,082	\$372,152,000	\$140,857,399	\$137,899,600	\$37,928,824	\$93,395,000	
CAPITAL REVENUES:							
Federal Funds	\$1,429,739	82,324,816	\$35,497,889	25,799,701	\$7,681,258	\$21,027,226	52%
State Funds	12,915,864	225,349,000	81,530,443	87,928,580	24,438,716	55,889,976	47%
Regional - Bridge Toll	2,010,068	57,451,032	19,915,315	21,717,919	5,783,113	15,817,797	45%
Regional - Alameda Sales Tax Measure B / BB	(588)	5,437,152	3,913,752	1,523,400	25,737	-	72%
Regional - Alameda TIF / LLAD	-	490,000	-	490,000	-	-	0%
Regional - San Francisco Sales Tax Prop K	-	1,100,000	-	440,000	-	660,000	0%
Total Capital Revenues	\$16,355,082	\$372,152,000	\$140,857,399	\$137,899,600	\$37,928,824	\$93,395,000	

TO: WETA Board Members

FROM: Peter Friedmann, WETA Federal Legislative Representative
Ray Bucheger, WETA Federal Legislative Representative

SUBJECT: WETA Federal Legislative Board Report – December 2017

This report covers the following topics:

1. Congressional Tax Reform Bills Eliminate the Employer Transit Benefit Deduction
2. Lobbying for Additional Funding for Public Ferries
3. Status of FTA Grant Program Application

Congressional Tax Reform Bills Eliminate the Employer Transit Benefit Deduction

The House and Senate continue to move ahead with comprehensive tax reform legislation, with a goal of sending a final bill to the President by the end of the year. To that end, the House of Representatives passed tax reform legislation before the Thanksgiving break, and the Senate is working through the process of passing its own tax reform bill, which is similar to the House bill in many ways, but also contains key differences.

One similarity between the House and Senate bills is that would terminate the deduction that employers can take for providing workers with transit and parking benefits. The ultimate fate of the transit benefit deduction will depend largely on how the overall tax reform process plays out. Tax reform could stall out if House and Senate negotiators cannot reconcile the differences between the two chambers' bills. If it ultimately appears that a deal is not achievable, Congressional leaders may choose to move forward with a temporary reduction in tax rates without making many changes to the underlying tax code. Under this scenario, the deduction that employers can take for providing workers with transit and parking benefits could be safe.

Lobbying for Additional Funding for Public Ferries

Years ago, we created the "Public Ferry Coalition", which is comprised of the Alaska Marine Highway System, Maine DOT/Maine State Ferry Service, New York City DOT Ferry Division, Cape May-Lewis Ferry, North Carolina DOT Ferry Division, and Washington State DOT/Washington State Ferries. We worked with this coalition to create the Federal Highway Administration (FHWA) formula program (and then modify the formula to increase funding for WETA) and the Federal Transit Administration (FTA) discretionary grant program, both of which provide funding to WETA. For the past several weeks, we have been working with this group to generate outreach to Capitol Hill to generate support for increasing funding levels for the FHWA and FTA grant programs as part of any transportation infrastructure legislation that Congress may take up. We are also working to grow this coalition, to include public ferry operators from states such as Texas and Louisiana, with members of Congress that sit on key Congressional committees. We are also meeting with staff on key Congressional committees to brief them on our priorities.

There is no guarantee that Congress will pass legislation dedicating additional money to transportation infrastructure, but it remains a priority for the White House and Congress, and transportation funding may ultimately get tied to legislation cutting tax rates, as a "sweetener" to get extra votes for taxes.

Status of FTA Grant Program Application

The Federal Transit Administration (FTA) has not given any indication when it will award grants for FY17 under the agency's discretionary grant program. FTA generally takes several months to review grant applications. Applications were due to the agency on October 23. WETA's application for funding to upgrade and enhance the M/V *Solano* is supported by Senator Dianne Feinstein and Representatives Nancy Pelosi, Mike Thompson, Jared Huffman, Jackie Speier, Zoe Lofgren, Anna Eshoo, Barbara Lee, Mark DeSaulnier, Eric Swalwell and John Garamendi. Staff from the office of Senator Kamala Harris has indicated that a letter of support from Senator Harris is forthcoming.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director

SUBJECT: Adopt a Resolution of Appreciation for Board Member Tim Donovan

Recommendation

Adopt a resolution of appreciation for Tim Donovan in recognition of his contribution to the development of ferry service on the San Francisco Bay.

Background/Discussion

Tim Donovan was appointed to the WETA Board of Directors by Speaker of the Assembly John Perez in 2012. Over the ensuing years, Tim has worked to bring the benefits of water transit to ever more Bay Area travelers and communities. Tim played an integral role in the development of WETA's 20-year strategic plan which outlines a vision for the expansion of passenger ferry service around the San Francisco Bay. Throughout his Board service, Tim always made his support of the men and women of Labor who work our ferries and our waterfront a top priority.

We honor and thank Tim for his service, commitment to the public good and leadership in support of increased ferry transportation on the San Francisco Bay.

We will miss Tim and wish him continued success.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2017-26

**BOARD RESOLUTION OF SAN FRANCISCO BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY IN RECOGNITION AND APPRECIATION OF
DISTINGUISHED SERVICE BY TIM DONOVAN**

WHEREAS, Tim Donovan has always been mindful of the interests of WETA and he has worked tirelessly to bring the benefits of water transit to even more Bay Area communities and passengers; and

WHEREAS, Tim Donovan has worked with cities, communities and stakeholders to establish new ferry routes and develop critical infrastructure to support expansion; and

WHEREAS, Tim Donovan played an integral role in the development of WETA's 20-year strategic plan, which outlines a vision that responds to passenger demand, makes critical infrastructure investments, and increases WETA's ability to respond to emergencies and system disruptions; and

WHEREAS, Tim Donovan was appointed to the WETA Board of Directors by Speaker of the Assembly John Perez in 2012; and

WHEREAS, Tim Donovan was Business Manager, Financial Secretary for IBEW Local 6, bringing his perspective and support of the men and women of Labor who work our ferries and our waterfront; and

WHEREAS, Tim Donovan has provided outstanding leadership and guidance to WETA:

NOW, THEREFORE, BE IT RESOLVED, that the WETA Board of Directors formally acknowledges and extends its profound appreciation to Tim Donovan for his many years of service to WETA and to the cause of expanding water transit in the Bay Area.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on December 7, 2017.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2017-26

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING

(November 9, 2017)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the Port of San Francisco, Pier 1 in San Francisco, CA.

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:07 p.m.

2. ROLL CALL

Chair Breckenridge, Director DelBono, Director Timothy Donovan, Director Anthony Intintoli, and Vice Chair James Wunderman were in attendance.

3. REPORT OF BOARD CHAIR

Chair Breckenridge reported that since the last meeting, she had spent time at the California State University Maritime Academy in Vallejo educating them about WETA services and the agency's role in the Bay Area. She said that because of its location and curriculum, the university is the premiere training facility for the agency's future workforce. She also thanked Director DelBono for his service during the recent North Bay fire disaster and noted that 2017 had been a difficult year for California firefighters throughout the state.

4. REPORTS OF DIRECTORS

Vice Chair Wunderman reported that he had attended the Bay Area Council's annual dinner honoring local business leaders and said he had used that opportunity to raise \$3M for North Bay fire relief. He said he had been pleased to be the emcee at the November 1 groundbreaking event for the new WETA Richmond Ferry Terminal which, he added, had been very well attended and a great success. Vice Chair Wunderman further noted that WETA's Executive Director Nina Rannells and Planning and Development Manager Kevin Connolly had presented at the recent Bay Area Council Water Transit Subcommittee meeting on the topic of what the future of Regional Measure 3 (RM3) will hold. He emphasized that WETA needs to be very clear and vocal about what it plans to do with RM3 money so that everyone is aware of the benefits that passing the measure will bring to the Bay Area.

Vice Chair Wunderman also reported that the lease for the restaurant on the Berkeley waterfront would soon be up for renewal. He said he did not know if the lease was going to be renewed, and he understood that there was no long term funding available at this time to support WETA ferry service in Berkeley, but that he still thought it was a development worth mentioning.

Director Intintoli reported that he had attended the Solano Transportation Authority's 20th Annual Awards event on November 8 where he had accepted an award, a congressional commendation, and congressional recognition on WETA's behalf. He presented the Special Award trophy for WETA to Ms. Rannells, along with the Commendation for WETA's steadfast commitment to increase service and provide tangible enhancements to the facilities and operations at the Vallejo terminal, which annually serves over one million riders. Director Intintoli also presented the Certificate of Special Congressional Recognition from the California Legislature Assembly in honor of WETA's significant contribution to improving the quality of life in Solano County by supporting transportation projects that bolster mobility, safety and economic vitality.

Director Intintoli also reported that the City of Vallejo was working on phase two of its parking facility which was expected to improve parking availability for WETA's ferry riders who park on the city's waterfront.

5. REPORTS OF STAFF

Executive Director Nina Rannells shared her written report with Directors and welcomed questions. She introduced Operations Manager Keith Stahnke who provided an overview of events on the evening of November 6 when the MV *Intintoli* lost power in both engines mid-voyage during the commute service period.

Mr. Stahnke said that the disruption had been an extraordinary occurrence, and noted that the safety of passengers and the vessel had remained the primary objective and focus throughout the event. He explained that the vessel had been forced to anchor due to two propulsion failures after its departure from San Francisco when it was more than ten miles away from its Vallejo destination. He said that the crew received substantial assistance from shore-side operations and engineering staff during the event, and that the nearest tugboat that could provide assistance was arranged within 30 minutes but was over an hour away from the anchored vessel. He said that with the slow towing speed, the MV *Intintoli* arrived at the dock 4 hours late. Mr. Stahnke said that while this was a major delay and there were many complaints, passengers had generally remained calm on the vessel during the time that it was anchored and towed to Vallejo. Ms. Rannells noted that she reviewed all comments received from passengers and that the common thread throughout the messages was a request for a refund of their tickets. She noted that WETA generally does not provide refunds to customers when a trip is completed, but that this was an extraordinary circumstance and that she recognized that we should compensate riders in some way. She explained to the Board that WETA and Blue & Gold staff were developing a means to provide a special voucher for a free round trip to compensate the affected passengers for the service disruption.

Mr. Stahnke further reported that the vessel had already been repaired and was in the middle of a 4 hour sea trial with the Coast Guard to confirm its safety and reliability, and to support its return to service as soon as possible. He clarified that the cause of the problem had been rooted in the mechanical failure of a fuel injector that had been replaced 3 days before the event, and in a sensor failure on the second engine. Mr. Stahnke added that he felt that the situation had generally been handled well, but noted that customer service and more frequent communication to passengers could be improved.

Director Intintoli said he favored the idea of giving the riders who were delayed a voucher for a free ferry ride as a gesture of goodwill and acknowledgement that the disruption was out of the ordinary for WETA service. Vice Chair Wunderman offered that perhaps a gift certificate for a dinner would also be a nice gesture to help make up for the inconvenience the riders experienced.

PUBLIC COMMENT

Hans Korve of Korve Consulting said that WETA service and vessels were becoming progressively more unreliable, and that WETA should be leasing smaller vessels from the new private ferry operators to improve service and efficiency on the South San Francisco route.

Mr. Connolly said that WETA's South San Francisco vessels were regularly operating with 65 to 70 percent passenger capacities, and that the service was actually doing very well. He further noted that the ridership continued to grow year over year, and said that WETA had increased passenger capacity on its South San Francisco vessels to support the continued anticipated growth on the route.

6. CONSENT CALENDAR

Director DelBono made a motion to approve the consent calendar which included:

- a. Board Meeting Minutes – October 5, 2017

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

Yeas: Breckenridge, DelBono, Donovan, Intintoli, Wunderman. Nays: None.

7. AUTHORIZE RELEASE OF A REQUEST FOR QUALIFICATIONS FOR MARINE ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES

Mr. Stahnke presented this item to authorize the release of a Request for Qualifications (RFQ) for marine engineering and construction management services for passenger vessel projects. He said that over the next three years, WETA will implement several vessel rehabilitation projects and has a need to retain the services of an experienced marine engineering and construction management firm to support the development and management of this work. He explained that the services would be contracted to support the MV *Peralta* Midlife Refurbishment, the MV *Solano* Midlife Refurbishment, and the MV *Scorpio* Quarter Life Refurbishment projects. He further noted that staff anticipated being in a position to recommend award of the contract for these services in early 2018.

Director Intintoli made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

Yeas: Breckenridge, DelBono, Donovan, Intintoli, Wunderman. Nays: None.

8. AUTHORIZE RELEASE OF A REQUEST FOR QUALIFICATIONS FOR TECHNICAL AND CONSTRUCTION MANAGEMENT SERVICES FOR WETA TERMINAL PROJECTS

Mr. Stahnke presented this item to authorize the release of a RFQ for Technical and Construction Management services for WETA Terminal projects. He explained that the RFQ will solicit qualified firms to provide expertise in design, engineering, permitting, and construction management services for WETA terminal projects. Mr. Stahnke said that the projects to benefit from the services included the Vallejo Ferry Terminal Maintenance Dredging and the South San Francisco Ferry Terminal Maintenance Dredging, and that staff anticipated being in a position to recommend award of the contract in early 2018. He further noted that maintenance dredging at the two terminals was required to ensure uninterrupted ferry service at all tidal levels, and he explained that using this process for support will allow WETA to utilize federal funding for the projects.

Director Donovan made a motion to approve the item.

Director Intintoli seconded the motion and the item carried unanimously.

Yeas: Breckenridge, DelBono, Donovan, Intintoli, Wunderman. Nays: None.

9. DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT UPDATE

Senior Planner Mike Gougherty presented an overview of the progress to date of the Downtown San Francisco Ferry Terminal Expansion Project. Mr. Gougherty acknowledged the concerns raised by local businesses on the waterfront about the visual aesthetics of the project and said staff had been meeting with the group and working on solutions to meet their needs as well as the safety requirements of the project. He said a solution was in process that would allow for mobile curtains to be utilized as safety protection to shield passersby from welding arc exposure. Mr. Gougherty further explained that as Phase 2 of the project commences, future work on the project will include rebar installation and concrete pours to construct the structural deck required to support the future promenade area and access to the new gates. He said that WETA will continue to provide all interested stakeholders, including the adjacent property owners and tenants, funding partners, and ferry riders, with comprehensive and current updates regarding project progress through the WETA website, emails, and social media informational outlets.

Vice Chair Wunderman asked how much of the work was being done offsite for the project. Mr. Gougherty explained that much of the work that would normally be done onsite was being done offsite, and being brought in on barges on the bay to the work site, as a result of the small lay-down area for the construction and in an effort to mitigate disruption to business on, and public enjoyment of, the waterfront and WETA's regular ferry service at the San Francisco terminals.

10. OVERVIEW OF PROJECTED FIVE-YEAR VESSEL FLEET NEEDS

Mr. Connolly presented an overview of WETA's fleet for the five year period from 2017-2022 to provide context for upcoming recommendations for vessel investment opportunities and WETA's service planning decisions. He shared a slideshow that included new additions to the fleet and vessel maintenance schedules that will impact service. It was noted that spare vessels were scant throughout the next five years and that completion of the Central Bay Maintenance Facility was expected to greatly enhance WETA's vessel maintenance capabilities and efficiencies.

Director Donovan suggested that staff refer to spare vessels as stand-by vessels because of the connotation of the word spare. He said that the vessels not in service at a given time were not really spares, but standing by to be put into service immediately if anything unexpectedly happened to disrupt any of the regularly scheduled vessels. He emphasized that a smart ratio of standby vessels to scheduled vessels was crucial to a healthy and efficient fleet, and to running a successful and robust service.

Chair Breckenridge said that the State needs to be engaged and educated about low emission vessels. She asked what size vessels can be used in Mission Bay, and Mr. Stahnke said Mission Bay will support any of the WETA vessel sizes. Chair Breckenridge commended Mr. Connolly and staff on the vessel overview and projections presentation.

Director Del Bono asked when staff would be in a position to move forward with the first new vessel. Ms. Rannells said that staff would like to return with a recommendation for authorization to move forward as early as the December meeting. She noted that approximately \$9 million in Proposition 1B funds are available and that the balance of the cost could be covered with RM1 and State Transit Assistance reserves.

PUBLIC COMMENT

Mr. Korge said that WETA should consider if there are opportunities to coordinate with Golden Gate Ferry to procure vessels together and also suggested that WETA look into purchasing used vessels. He also asked when the Blue & Gold Fleet contract operator contract expires. Ms. Rannells said the contract will expire in 4 years.

Representing Masters, Mates & Pilots, Veronica Sanchez said that regarding emergency response responsibilities, the fact that the South San Francisco terminal can only support smaller vessels reinforced the importance of WETA service in Redwood City.

Patrick Murphy, President of WETA's contract operator Blue & Gold Fleet, said WETA has access to Blue & Gold Fleet's smaller vessels if needed.

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

No additional public comments were shared.

All business having been concluded, the meeting was adjourned at 3:12 p.m.

- Board Secretary

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Board of Directors Meeting Schedule for Calendar Year 2018

Recommendation

Approve WETA Board of Directors meeting schedule for Calendar Year 2018.

Discussion

The WETA Board of Directors generally meets on the first or second Thursday of the month at 1:15 p.m. at the Port of San Francisco's offices at Pier 1 in downtown San Francisco with exceptions made to address holidays, business conflicts or occasional travel meetings. Based upon a review of the 2018 calendar, staff proposes to establish the following meeting dates for next year:

DATE:	TIME:	LOCATION/ADDRESS:
Thursday, January 11	1:15 p.m.	Port of San Francisco
Thursday, February 8	1:15 p.m.	Port of San Francisco
Thursday, March 1	1:15 p.m.	Port of San Francisco
Thursday, April 5	1:15 p.m.	Port of San Francisco
Thursday, May 10	1:15 p.m.	Port of San Francisco
Thursday, June 7	1:15 p.m.	Port of San Francisco
Thursday, July 12	1:15 p.m.	Port of San Francisco
Thursday, August 2	1:15 p.m.	Port of San Francisco
Thursday, September 6	1:15 p.m.	Port of San Francisco
Thursday, October 4	1:15 p.m.	Port of San Francisco
Thursday, November 8	1:15 p.m.	Port of San Francisco
Thursday, December 6	1:15 p.m.	Port of San Francisco

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. In addition, staff will work with the Board of Directors to identify and coordinate opportunities for travel meetings during the year that provide an opportunity to hold regularly scheduled or special Board meetings in various Bay Area communities that WETA serves or is developing services to support.

Fiscal Impact

There is no fiscal impact associated with setting the Board meeting calendar.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Lynne Yu, Manager of Finance and Grants
Melanie Jann, Manager, Administration & Business Services

SUBJECT: Authorize Release of a Request for Proposals for Information Technology Services

Recommendation

Authorize the release of a Request for Proposals (RFP) for Information Technology (IT) Services to support WETA's facilities, terminals, vessels and operations.

Background/Discussion

As a small agency with limited staff, WETA has contracted for IT services since its inception. While services were initially limited in scope (supporting office computers, network and server), they have grown as WETA has become a contract operator, built new terminal and operations/maintenance facilities and expanded its electronic operating systems. This item authorizes release of a RFP to solicit qualifications and proposals from firms providing IT services. With this RFP, WETA seeks to secure the services of an IT firm with computerized systems, network and system security expertise to assist with the following:

- Monitor and support WETA's computer network system
- Maintain and update system hardware and software
- Provide recommendations for enhancing and improving systems over time
- Provide technical expertise to support the development of special IT projects over time
- Manage and integrate IT system communications between facilities, terminals and vessels
- Identify exposure to security threats and develop processes and practices to protect computers and network from unauthorized access
- Assess, monitor and support network system security and perform any necessary updates and upgrades
- Develop, maintain and update system documentation and disaster recovery plans

Staff anticipates releasing the RFP in December and being in a position to recommend award of a contract in February 2018 for an initial period through June 2021, with an option to renew the contract in increments up to a maximum of ten years.

Fiscal Impact

There is no fiscal impact is associated with the release of this RFP. Funding for IT services is included in the FY 2017/18 operating budget and will be included in future general and administration operating and ferry service operating budgets to support this work effort.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Contract Award to Marine Group Boat Works for Phase Two Mid-Life Refurbishment of the MV *Peralta*

Recommendation

Approve contract award to Marine Group Boat Works LLC for Phase Two Mid-Life Refurbishment of the MV *Peralta* Project in the amount of \$ 4,380,000 and authorize the Executive Director to negotiate and execute an agreement and take any other related actions as may be necessary to support this work.

Background

Aluminum catamaran ferry vessels have a life expectancy of approximately 25 years. Refurbishment projects during the lifecycle of a vessel generally include a minor refit when the vessel has reached its quarter life (at approximately 6 and 18 years), a major refit at the vessel's midlife (at approximately 12 years), and replacement when the vessel is approximately 25 years old. The MV *Peralta* was built in 2001 by Nichols Brothers Boat Builders and acquired by WETA from the City of Alameda in April 2011 through the transition of the Alameda Oakland Ferry Service to WETA.

The MV *Peralta* Midlife Project was started in 2015 and divided into two phases in order to minimize the time that the vessel is out of service during the busy summer season. The first phase of this work focused on major machinery overhauls and was completed in 2015.

The Phase Two of the MV *Peralta* mid-life refurbishment includes:

- Renovation of the passenger cabins, bathrooms and galley
- Exterior paint and coatings
- Navigation electronics
- Control systems upgrades
- Steering system replacement
- New stern hull section module

Discussion

Procurement Process:

The Request for Proposals (RFP) was released on October 6, 2017. Notice of the RFP was sent to WETA's mailing list, posted on the Agency's website, and advertised in the San Francisco Chronicle and the Passenger Vessel Association member update. On October 16, 2017 WETA hosted a mandatory Proposers' conference at Pier 9 which was attended by fourteen individuals representing four shipyards. WETA staff issued three addenda to the

original RFP clarifying the specifications set forth in the RFP and responding to pre-bid questions. Proposals were due to WETA on or before November 15, 2017.

Evaluation Process:

A Best Value procurement process was utilized for this project consistent with WETA's Administrative Code and Federal Transit Administration (FTA) guidelines. A Best Value procurement process considers both price and qualitative components of a proposal that are deemed to be the most advantageous and of the greatest value to the procuring agency.

The RFP required proposers to submit technical qualifications for review and scoring, as well as a separate price proposal that was reviewed for proposals that met the technical requirements. The technical portion of the evaluation process amounted to 60 percent of the total possible score. Technical scores considered a number of factors including the proposer's technical approach, ability to meet the project schedule, understanding of the project, project management plan, experience on similar projects, references, qualifications of its proposed team and its facilities and equipment.

A total of three proposals were received by the deadline. Submitting shipyards were Vigor Marine, Bay Ship & Yacht Co. and Marine Group Boat Works. The proposal evaluation committee reviewed the technical portion of the proposals, all of which met the technical requirements and were determined to be within the competitive range. Table 1 below provides the scoring totals for each proposal.

Table 1

Scoring	Maximum Points	Vigor Marine	Bay Ship & Yacht	Marine Group Boat Works
Technical Proposals	60	46.75	46.25	49.00
Price Proposals	40	30.58 (\$4,706,348)	34.22 (\$4,359,144)	40 (\$3,809,161)
Total Score	100	77.33	80.47	89

Based on the results of the evaluation process and final scores for each bidder, Marine Group Boat Works has been determined to be the Best Value proposer for this project. Accordingly, staff recommends awarding a contract to Marine Group Boat Works and proposes that this award include a 15 percent owner's contingency to allow for additive changes for work not yet identified but that may be necessary to satisfactorily complete the project.

If approved, staff will issue the Notice to Proceed for design and engineering activities with shipyard work to begin in January 2018. Work for the project is expected to be completed by June 2018.

DBE/SBE Participation:

The Authority's overall annual Disadvantaged Business Enterprise (DBE) goal and Small Business Enterprise (SBE) goal for Federal Fiscal Year 2017/18 is 1.78 percent and 5.04 percent, respectively, for all FTA assisted contracts. Staff has reviewed the DBE/SBE materials provided by Marine Group Boat Works and has determined that they have complied with the

DBE requirements for this contract. Marine Group Boat Works has committed 0% DBE participation and 2.3% SBE participation.

Fiscal Impact

The *Phase Two Mid-Life Refurbishment of the MV Peralta project* is included in the FY 2017/18 Capital Budget at a total cost of \$5,117,000, funded with \$4,093,600 (80%) Federal Transit Administration grant funds and \$1,023,400 (20%) Alameda Transportation Sales Tax revenues. Sufficient funds are available within the overall project budget to support award of this contract.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2017-27

APPROVE THE AWARD OF A CONTRACT WITH MARINE GROUP BOAT WORKS LLC FOR SHIPYARD SERVICES FOR THE MV *PERALTA* PHASE TWO MID-LIFE REFURBISHMENT PROJECT

WHEREAS, the San Francisco Bay Area Water Emergency Transportation Authority (WETA) has established the MV *Peralta* Phase Two Mid-Life Refurbishment Project as part of its FY 2017/18 Capital Budget and program of projects; and

WHEREAS, WETA has established procedures in its Administrative Code relating to the selection and contracting of Construction Services, including projects where Federal Transit Administration (FTA) funds will be used; and,

WHEREAS, WETA has FTA and local match funds to support the Project; and

WHEREAS, on October 16, 2017, WETA issued a Request for Proposals for MV *Peralta* Phase Two Mid-Life Refurbishment Project shipyard work for the Project; and

WHEREAS, WETA followed the procedures in its Administrative Code, consistent with a FTA project regarding solicitation and evaluation of qualifications; and,

WHEREAS, WETA staff has evaluated the proposals submitted for this project based upon a Best Value competitive procurement process and, as a result, recommends the award of a contract for services to Marine Group Boat Works LLC; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves an Agreement with Marine Group Boat Works LLC. to provide shipyard services for the MV *Peralta* in the amount of \$4,380,000 which includes a 15 percent owner's contingency; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute an agreement and take any other related actions as may be necessary to support this work.

CERTIFICATION

The undersigned, the Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on December 7, 2017.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2017 – 27

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Actions Associated with Procurement of a New 250 Passenger Fast Ferry Vessel

Recommendation

Approve the following actions associated with securing a new ferry vessel for use in WETA's ferry services:

1. Authorize staff to release of a Request for Proposals (RFP) for vessel construction;
2. Authorize staff to release of a Request for Qualifications (RFQ) for vessel construction management services; and
3. Add a new capital project to the FY 2017/18 Capital Budget entitled *Purchase New High-Speed Vessel* at a total project cost of \$14,000,000, with \$750,000 budgeted for expense in FY 2017/18.

Background

The Authority owns and utilizes a fleet of 13 vessels. Five vessels are currently under construction and anticipated for delivery in 2018 and 2019 and two exiting vessels are scheduled for retirement at the end of 2018. The current fleet make-up effectively consists of two sub-fleets including four high speed 34-knot vessels operated in the North Bay Vallejo service and nine medium speed 25-knot vessels that are operated in the central bay Alameda/Oakland, Harbor Bay and South San Francisco services. While there is some interchangeability of these vessels between the north and central bay services, vessels can generally be categorized into these two sub-fleets based upon the operating speed required to meet the route profiles and service schedules. Within the central bay services, the South San Francisco and Harbor Bay terminals have space and structural constraints that limit the vessels that can be operated on these routes to our smaller vessels. In addition, passenger volumes in both Vallejo and Alameda/Oakland are generally large enough that they require use of vessels over 250 passengers to meet passenger demand.

At the November 2017 Board of Director's meeting, staff presented a comprehensive Fleet Status and Five Year Forecast (PowerPoint attached). As a part of this presentation, staff provided an overview of the existing fleet characteristics, discussed the system route profiles and resulting vessel requirements for size and speed, identified the need for an appropriately sized back-up fleet to support daily operations and recommended next steps to support WETA's fleet needs. This is a follow-up to the November discussion, requesting that the Board of Directors authorize moving forward with one of the recommended next steps – procuring a new 250 passenger high speed vessel that will establish a new class of WETA vessel with the versatility to support WETA's diverse system of services.

Discussion

With the recently ordered vessels addressing capacity demand at Alameda/Oakland and Vallejo, and looking ahead at next year's vessel retirements and long range capital vessel projects, staff has identified the need for a mid-size high speed vessel that can serve South San Francisco and Harbor Bay, as well as long North Bay routes best operated with a high speed, 34-knot vessel.

Given the fleet vessel make-up, it is staff's assessment that this vessel should have a 34-knot service speed, with a capacity of approximately 250 passengers. This vessel type is the best path forward to have a vessel delivered in an expeditious manner to meet current ridership demand and backup vessel needs, and support WETA's ability to efficiently maintain fleet vessels and ensure safe and reliable operations. Staff estimates the cost of this new vessel - including vessel construction, construction management, administration, and spare parts - to be approximately \$14,000,000. Sufficient Proposition 1B and Regional Measure 1 funds are available to support construction of one such vessel at this time. Staff anticipates that this new class of WETA vessel will have widespread utility to support a variety of existing services and will also be suited to support planned system expansions to Richmond, Seaplane Lagoon and Mission Bay. With current available funding, one vessel would be ordered now with the possibility of constructing additional vessels of this class in the future when additional funds are available to support system expansion.

Vessel Construction Request For Proposal

The Request For Proposal for vessel construction will solicit proposals from qualified small passenger vessel builders to provide a vessel meeting the required vessel design specifications. Once the best qualified proposer is identified, staff will return to the Board to propose a contract award for this project.

Construction Management Request For Qualifications

This Request For Qualifications will solicit proposals from qualified firms to assist with vessel design and specifications preparation, vessel construction management oversight, and warranty administration once the vessel is put into service. Once the best qualified proposer is identified, staff will return to the Board to propose a contract award for this work.

Fiscal Impact

This item adds a new project to the FY 2017/18 Capital Budget to procure a new fast ferry vessel with an established budget of \$14,000,000, including \$750,000 budgeted for expense in FY 2017/18. This project will be funded with existing Proposition 1B and Regional Measure 1 funds available to WETA that can be used for this purpose.

END

San Francisco Bay Area

ITEM 9 ATTACHMENT

Water Emergency Transportation Authority

WETA Fleet Status and Five Year Forecast

November 2017



WETA Fleet Forecast

A five year look ahead at WETA fleet needs based on likely service demands

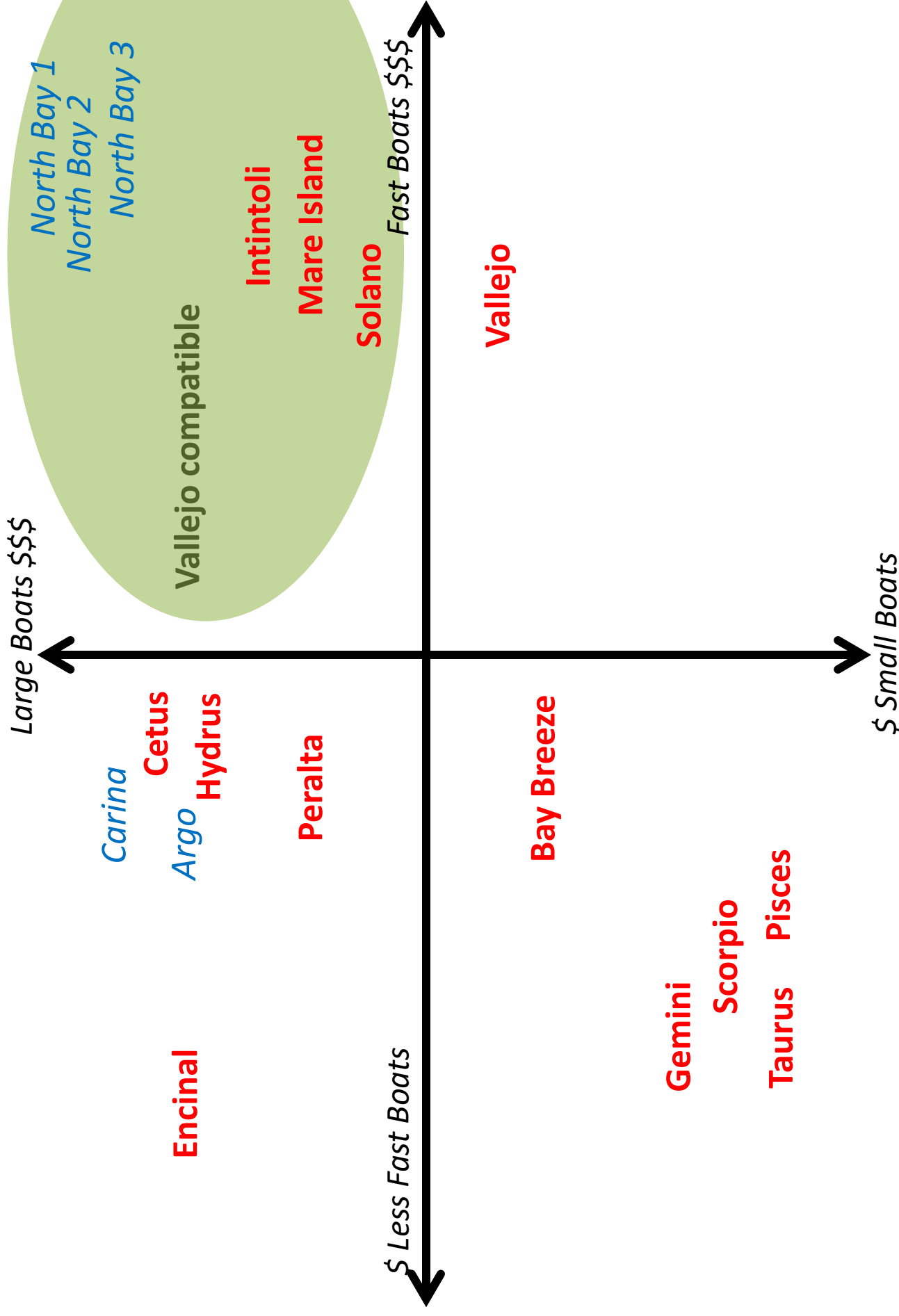
- WETA fleet will be stressed in the next 5 years, in effort to keep up with demand & expansion
 - Challenge: maintaining an adequate spare ratio
- Planning for service delivery & emergency response requires understanding of fleet status on year-to-year basis
- Remaining Proposition 1B vessel funding: \$9 million
- Upcoming recommendation for additional vessel purchase
- First RM3-funded vessels not likely to arrive before 2021
- A new vessel funded by Proposition 1B could arrive in 2020

WETA Fleet Constraints

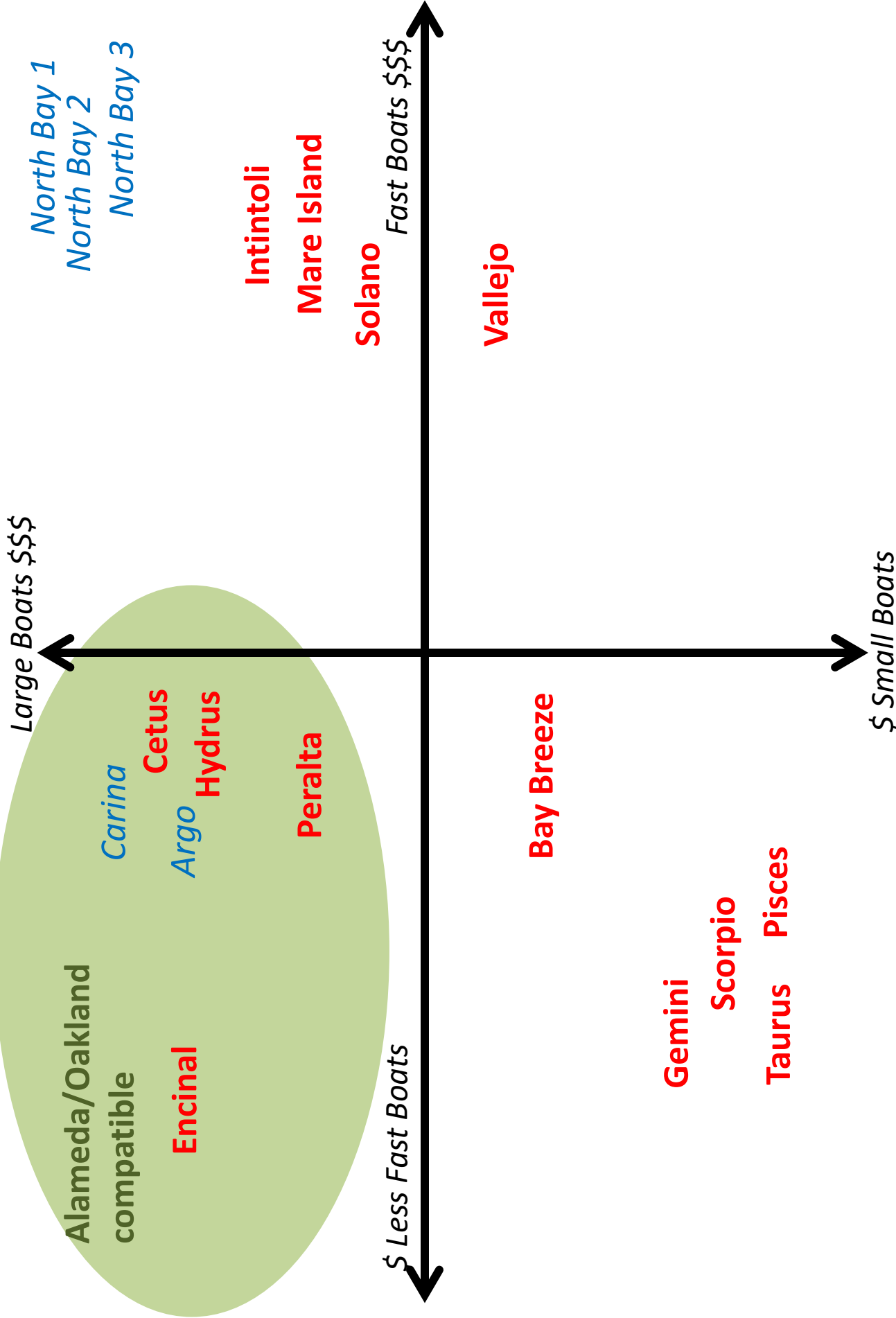
A mix of vessels is required to serve the range of terminals and demand levels throughout the WETA system

- South San Francisco limited to smallest WETA vessels (Gemini class)
- Harbor Bay unable to accommodate vessels larger than the Peralta
- Oakland/Alameda & Vallejo require largest vessels possible during commute/heavy demand periods
- Vallejo vessels need to be jet propulsion to meet schedule demands
- Interlined vessels must be compatible with multiple terminals

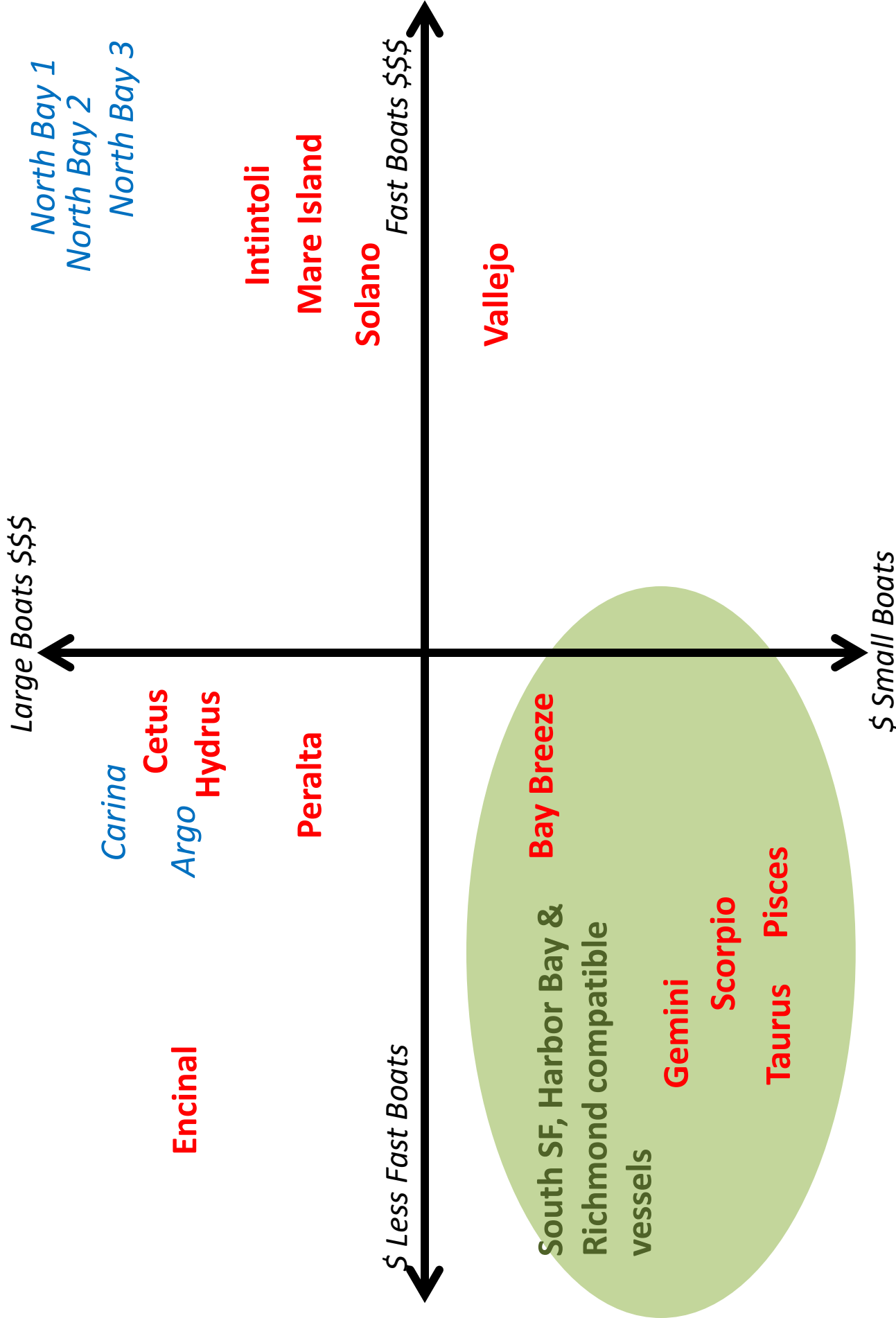
Vessel characterization



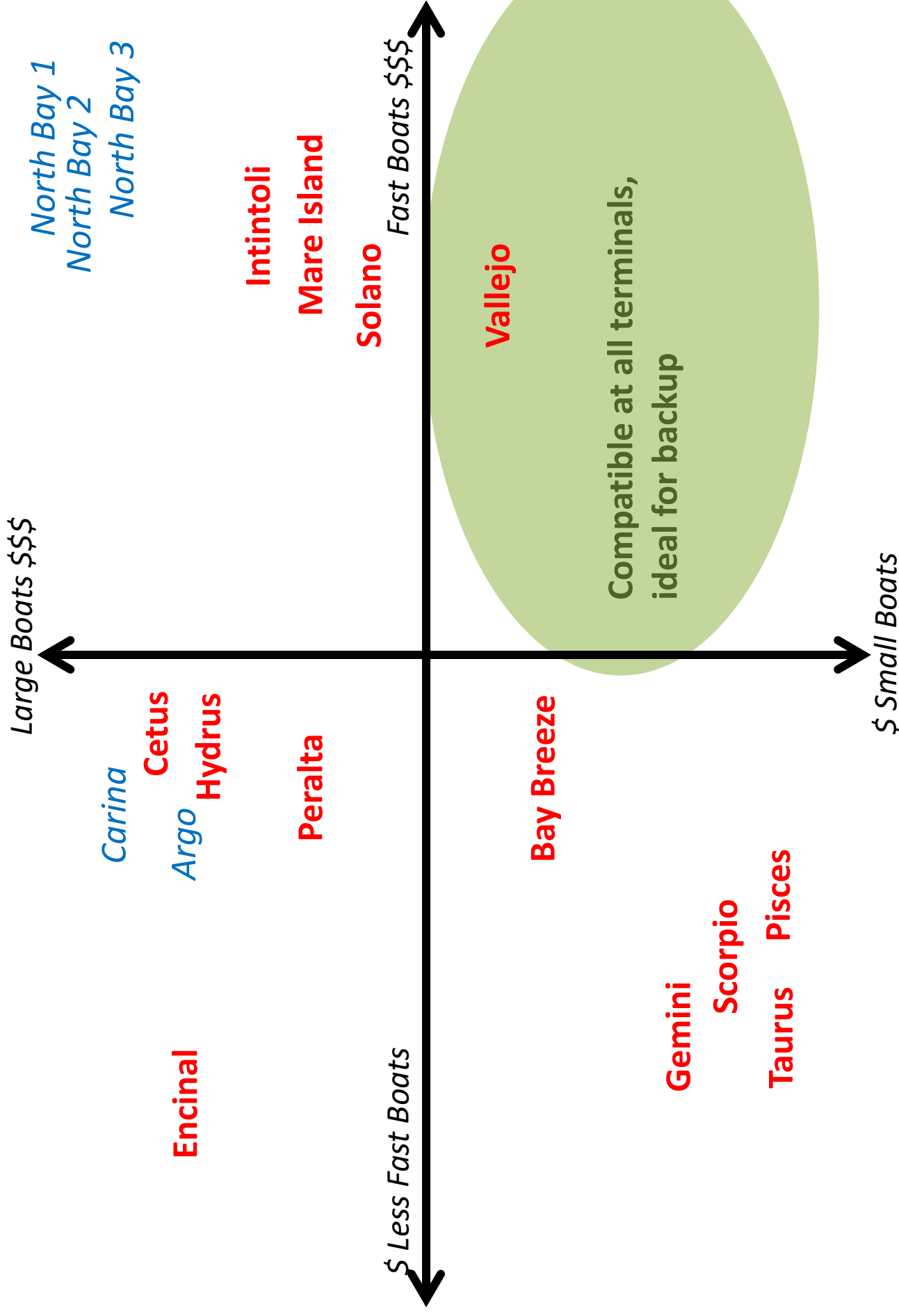
Vessel characterization



Vessel characterization



Vessel characterization



Vessel capacities & speed

WETA fleet needs to be diverse based on service demands and terminal limitations

Emergency response requires largest possible capacities

Very Big Boats	<i>Over 500 passengers, Emergency response or non-time sensitive service</i>
Big Boats	<i>400-500 passengers, ideal for Alameda/Oakland & Vallejo</i>
Medium Boats	<i>250-330 passengers, Harbor Bay, Richmond & backup service</i>
Small Boats	<i>149-225 passengers, South SF, Richmond & Harbor Bay</i>
Very Small Boats	<i>Under 100 passengers; new service or emerging markets</i>
Very Fast Boats	<i>34+ knots; Vallejo, Richmond, Redwood City</i>
Fast Boats	<i>25+ knots; Alameda, Oakland, Harbor Bay, South San Francisco</i>
Slow Boats	<i>12+ knots; Treasure Island, Weekends, Ballgames, emergency response</i>

Vessel capacities & speed

	<i>North Bay 1</i> <i>North Bay 2</i> <i>North Bay 3</i> Intintoli Mare Island Solano	Encinal Hydrus Cetus <i>Carina</i> <i>Argo</i>
Very Big Boats		
Big Boats		
Medium Boats		
Small Boats		
Very Small Boats		
Very Fast Boats		
Fast Boats		
Slow Boats		

Six jet-powered high capacity boats by 2020

Four vessels in Hydrus class by 2019

Unable to serve South SF or Harbor Bay

Encinal retiring by 2019, Solano due for 12-month retrofit

Vessel capacities & speed

		Vallejo Peralta	Taurus Pisces Scorpio Bay Breeze Gemini
<i>Very Big Boats</i>			
<i>Big Boats</i>			
<i>Medium Boats</i>			
<i>Small Boats</i>			
<i>Very Small Boats</i>			
<i>Very Fast Boats</i>			
<i>Fast Boats</i>			
<i>Slow Boats</i>			

Vallejo retiring in 2019, Peralta out for 7 months in 2018

Gemini class and Bay Breeze only vessels compatible with South SF

Gemini class -- all built in 2008, 2009 -- will need midlife overhauls in 2021, 2022

Lack of small to mid-size vessels for all purpose backup and off peak service

Vessel capacities & speed

	<i>Future</i>	<i>Future</i>
<i>Very Big Boats</i>		
<i>Big Boats</i>		
<i>Medium Boats</i>		
<i>Small Boats</i>		
<i>Very Small Boats</i>		
<i>Very Fast Boats</i>		
<i>Fast Boats</i>		
<i>Slow Boats</i>		

Opportunities to expand fleet further with different vessel types

RM3 & other funding sources

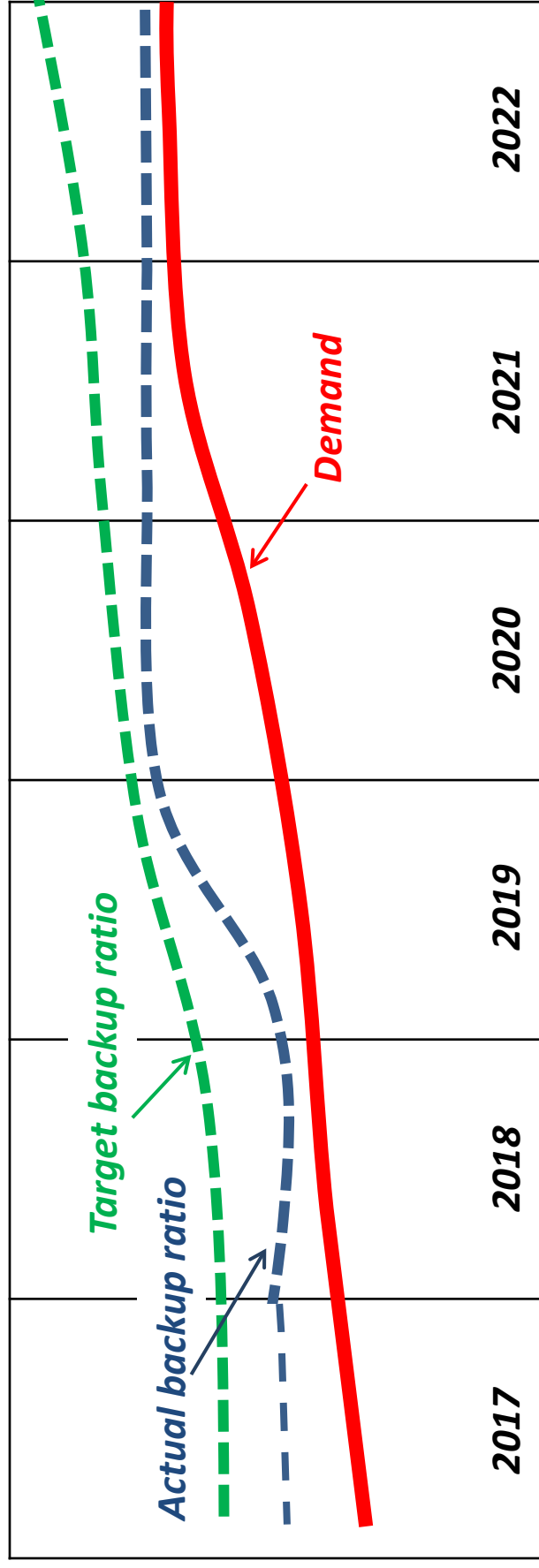
Large, slower vessels an opportunity for low or zero emission demonstration

Smaller vessels can be produced quickly and serve low demand markets

Vessel capacities & speed

	<i>North Bay 1</i> <i>North Bay 2</i> <i>North Bay 3</i> Intintoli Mare Island Solano	Encinal Hydrus Cetus <i>Carina</i> <i>Argo</i>	Vallejo Peralta	Taurus Pisces Scorpio Bay Breeze Gemini	<i>Future</i>	<i>Future</i>
<i>Very Big Boats</i>						
<i>Big Boats</i>						
<i>Medium Boats</i>						
<i>Small Boats</i>						
<i>Very Small Boats</i>						
<i>Very Fast Boats</i>						
<i>Fast Boats</i>						
<i>Slow Boats</i>						

WETA Fleet Forecast & Backup Ratio



WETA's Strategic Plan calls for a 40% backup ratio as the goal to provide reliable service

The optimal backup ratio must be viewed as a long term goal – in the interim years WETA must prepare for a variable spare ratio

Demand will continue to grow as new terminals open, other operators face capacity constraints and Bay Area economy remains strong

WETA Fleet 5-year look ahead

2017

13	Encinal
12	Vallejo
11	Bay Breeze
10	Pisces
9	Taurus
8	Scorpio
7	Gemini
6	Peralta
5	Solano
4	Intintoli
3	Mare Island
2	Cetus
1	Hydrus
	2017

- 10 vessels in operation, 3 backups
 - 30% backup ratio
 - All 3 backups over 25 years old
- Peralta -- primary vessel for Harbor Bay -- out of service in December
 - Additional AM crew for Harbor Bay

Large Boats

Small Boats

New Boat Arrives

Backup Vessels

Vessel out for extended period

WETA Fleet 5-year look ahead

- 2018

2019

 - 11 vessels in operation, 2 backups
 - 18% backup ratio
 - Peralta & Solano out for extended periods
 - Lack of small backups in 2018
 - Lack of Jet backups in 2019
 - Encinal & Vallejo forced into retirement by end of 2018
 - Argo (2018)
 - Carina & North Bay 1 (early 2019)
 - Richmond service starts September 2018
 - Central Bay Facility opens

14	Peralta	Solano
13	Encinal	Argo
12	Vallejo	Bay Breeze
11	Bay Breeze	Taurus
10	Pisces	Scorpio
9	Taurus	Gemini
8	Scorpio	Pisces
7	Gemini	Peralta
6	Solano	Intintoli
5	Intintoli	Mare Island
4	Mare Island	North Bay 1
3	Argo	Carina
2	Cetus	Cetus
1	Hydrus	Hydrus
	2018	2019

Large Boats

Small Boats

New Boat Arrives

Backup Vessels

Vessel out for extended period

WETA Fleet 5-year look ahead

2020

16	Carina	<ul style="list-style-type: none">• 12 vessels in operation, 4 backups<ul style="list-style-type: none">• 33% backup ratio• Sufficient backup level to add service• Possible arrival of Prop 1B vessel• Solano returns as 400-pax vessel• North Bay 2 & 3 (445-pax Jet) mid 2020
15	Bay Breeze	
14	Mare Island	
13	Peralta	
12	Gemini	
11	Taurus	
10	Pisces	
9	Scorpio	
8	Intintoli	
7	Solano	
6	North Bay 3	
5	North Bay 2	
4	North Bay 1	
3	Argo	
2	Cetus	
1	Hydrus	
	2020	

16

WETA Fleet 5-year look ahead

		2021	2022
17			Taurus
16		Pisces	Argo
15		Taurus	Bay Breeze
14		Mare Island	Mare Island
13		Bay Breeze	Scorpio
12		Gemini	Pisces
11		Scorpio	Gemini
10		Intintoli	Breeze Replace
9		Peralta	Intintoli
8		Solano	Peralta
7		North Bay 3	Solano
6		North Bay 2	North Bay 3
5		North Bay 1	North Bay 2
4		Carina	North Bay 1
3		Argo	Carina
2		Cetus	Cetus
1		Hydrus	Hydrus
		2021	2022

- 13 vessels in operation, 2-3 backups
 - 15% backup ratio in 2021
 - 23% backup ratio in 2022
 - Gemini class undergoing midlife overhaul
- Mission Bay & Seaplane Lagoon open
- Bay Breeze replacement arrives early 2022
- Possible arrival of first RM3 vessels
- Shortage of small vessels

Large Boats

Small Boats

New Boat Arrives

Backup Vessels

Vessel out for extended period

WETA Fleet 5-year look ahead

17									Taurus
16							Carina	Pisces	Argo
15							Bay Breeze	Taurus	Bay Breeze
14						Solano	Mare Island	Mare Island	Mare Island
13	Encinal					Argo	Peralta	Bay Breeze	Scorpio
12	Vallejo					Bay Breeze	Gemini	Gemini	Pisces
11	Bay Breeze					Taurus	Taurus	Scorpio	Gemini
10	Pisces					Scorpio	Pisces	Intintoli	Breeze Replace
9	Taurus					Taurus	Scorpio	Peralta	Intintoli
8	Scorpio					Pisces	Intintoli	Solano	Peralta
7	Gemini					Peralta	Solano	North Bay 3	Solano
6	Peralta					Intintoli	North Bay 3	North Bay 2	North Bay 3
5	Solano					Mare Island	North Bay 2	North Bay 1	North Bay 2
4	Intintoli					North Bay 1	North Bay 1	Carina	North Bay 1
3	Mare Island					Carina	Argo	Argo	Carina
2	Cetus					Cetus	Cetus	Cetus	Cetus
1	Hydrus					Hydrus	Hydrus	Hydrus	Hydrus
	2017					2018		2019	
								2020	
								2021	
									2022

Large Boats

Small Boats


New Boat Arrives

Backup Vessels

Vessel out for extended period

WETA Fleet 5-year look ahead – Alternative Scenario

19									Taurus
18								Pisces	Large Boat
17							Carina	New Large Boat	Argo
16							Bay Breeze	Taurus	Bay Breeze
15							Mare Island	Mare Island	Mare Island
14							Peralta	Peralta	Mid-size Boat
13	Encinal	Encinal		Argo			New Mid-size Boat	Mid-size Boat	Scorpio
12	Vallejo	Vallejo		Bay Breeze			Gemini	Bay Breeze	Pisces
11	Bay Breeze	Bay Breeze		Taurus			Taurus	Gemini	Gemini
10	Pisces	Pisces		Scorpio			Pisces	Scorpio	Breeze Replace
9	Taurus	Taurus		Gemini			Scorpio	Intintoli	Intintoli
8	Scorpio	Scorpio		Pisces			Intintoli	Solano	Peralta
7	Gemini	Gemini		Peralta			Solano	North Bay 3	Solano
6	Peralta	Solano		Intintoli			North Bay 3	North Bay 2	North Bay 3
5	Solano	Intintoli		Mare Island			North Bay 2	North Bay 1	North Bay 2
4	Intintoli	Mare Island		North Bay 1			North Bay 1	Carina	North Bay 1
3	Mare Island	Argo		Carina			Argo	Argo	Carina
2	Cetus	Cetus		Cetus			Cetus	Cetus	Cetus
1	Hydrus	Hydrus		Hydrus			Hydrus	Hydrus	Hydrus
	2017	2018		2019			2020	2021	2022

 Large Boats

Small Boats

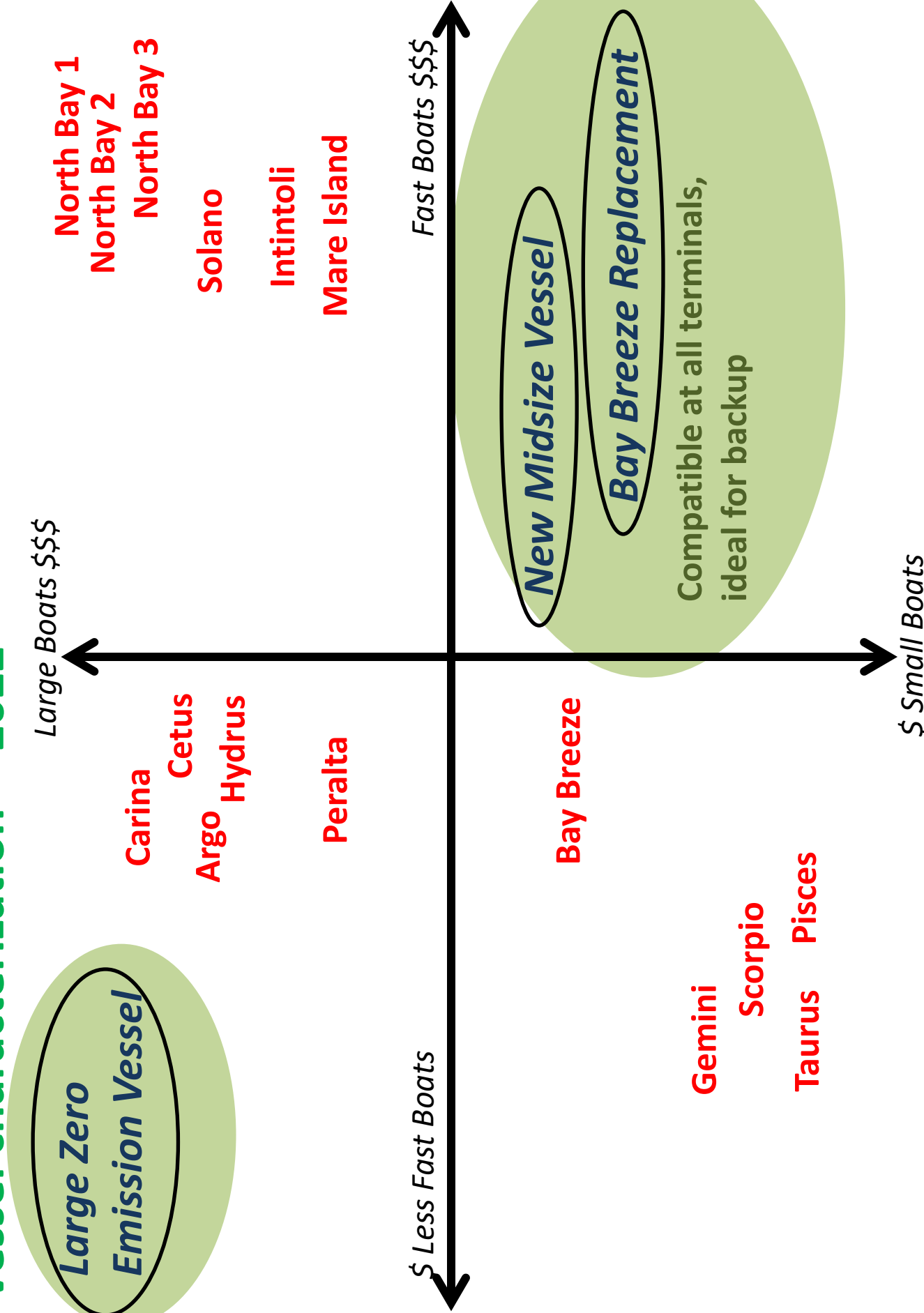
1

New Boat Arrives

Backup Vessels

Vessel out for extended period

Vessel characterization -- 2022



WETA Fleet Forecast

WETA will experience challenges in delivering service over the next five years but must continue to enhance the fleet

- Expansion and service enhancement will place additional demands on existing & anticipated fleet
- Maintaining a diverse and flexible fleet important to WETA's transit & emergency response mission
- Near term opportunities to supplement existing fleet and invest in new technologies
- Immediate action to enter procurement for two prototype vessels:
 - Mid-size, fast vessel
 - Large, zero or low emission slow vessel (provided funding)

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Mike Gougherty, Senior Planner

SUBJECT: Review of Special Event Fare Financial Performance

Recommendation

There is no recommended action associated with this informational item.

Background

WETA currently operates two special event services featuring direct ferry service between AT&T Park and the cities of Alameda/Oakland and Vallejo during most San Francisco Giants home games. Fares for these special event services are evaluated and adjusted outside of the FY 2015-2020 WETA Fare Program for regular services, pursuant to the WETA Fare Policy objective that special event services recover their full incremental operating costs through farebox or other special revenues.

WETA established the current ballpark fare structure and rates in 2015. Fares for the ballpark services have remained unchanged since then, as annual reviews have concluded that revenues generated by these services have been sufficient to cover operating expenses. Current fares for the Alameda/Oakland and Vallejo ballpark services are as shown in Table 1 below:

Table 1: Current WETA Ballpark Fares

Service Route	Adult	Youth	Senior/Disabled
Alameda/Oakland	\$7.50	\$5.60 (5-18)	\$5.60
Vallejo	\$14.20	\$10.60 (5-18)	\$10.60

Discussion

Staff has evaluated the financial performance of the special event ballpark services to determine if these services have recovered their incremental operating costs during the 2017 season and has prepared a financial projection for 2018 in order to determine whether a fare change is necessary in the new year. For purposes of this evaluation, staff considers a farebox recovery ratio in the range of 90% to 110% as indicative that a special event service has met the requirement of WETA's Fare Policy. A range is allowed to account for minor annual variations in revenues and costs and inherent challenges in precisely accounting for all incremental costs associated with each service. Based upon this financial review, staff has concluded that no change to the current special event fares is warranted in 2018.

Alameda/Oakland Ballpark Service

The Alameda/Oakland ballpark service carried 33,536 passengers during the 2017 season and collected \$231,243 in fare revenue. This revenue offset approximately \$226,000 in incremental operating costs resulting in a farebox recovery ratio of 102%, as shown in Table 2 below.

Table 2: Alameda/Oakland Financial Performance

Season	Ridership	Total Revenue	Total Cost	Farebox Recovery
2016	35,846	\$255,247	\$275,968	92%
2017	33,536	\$231,243	\$225,638	102%
2018 (Projected)	33,536	\$231,243	\$236,935	98%

Ridership for the Alameda/Oakland ballpark service declined slightly from the previous 2016 season, and substantially from the all-time high of 41,628 riders in 2015, likely because the higher capacity vessels that previously operated on the service were largely unavailable for operation in ballpark services. This is due to several factors including the retirement of the MV *Zelinsky* from the Blue & Gold fleet, the need to operate larger WETA vessels on weekday commuter runs, and the downtime required for maintenance of WETA's larger vessels during weekends. WETA was able to provide larger vessels during particularly high-demand game days, such as Labor Day. Total cost decreased from the 2016 season due to fewer games served (there were no playoff games in 2017), as well as lower expenses for customer service representatives who are now more fully integrated into the daily operation of the Alameda/Oakland service.

For the 2018 baseball season, staff estimates an increase of 5% in operating expense due to normal escalation of contract labor rates and an anticipated increase in the cost of fuel (budgeted at \$2.50 per gallon). Assuming that ridership and revenues remain unchanged from the 2017 season, the Alameda/Oakland service projects a 98% farebox recovery ratio for the 2018 season.

Vallejo Ballpark Service

The Vallejo ballpark service carried 29,240 passengers during the 2017 season and collected \$385,051 in fare revenue. This revenue fully offset approximately \$357,000 in incremental operating costs resulting in a farebox recovery ratio of 108%, as shown in Table 3 below.

Table 3: Vallejo Financial Performance

Season	Ridership	Total Revenue	Total Cost	Farebox Recovery
2016	30,757	\$409,766	\$347,831	118%
2017	29,240	\$385,051	\$356,597	108%
2018 (Projected)	29,240	\$385,051	\$401,741	96%

Ridership for the Vallejo ballpark service decreased slightly in 2017 from the all-time high of 30,757 riders during the 2016 season. Overall, despite serving fewer games and a small decrease in fuel costs from the previous season, total expenses in 2017 increased slightly due to greater need to deploy customer service representatives and ticket booth agents on game days.

For the 2018 season, staff estimates a 12.6% increase in operating expense due to normal escalation of contract labor rates and an anticipated increase in the cost of fuel (budgeted at \$2.50 per gallon), which is a more significant cost factor for the long-haul Vallejo service than the Alameda/Oakland route. Assuming that ridership and revenues remain unchanged from the 2017 season, the Vallejo service projects to have a 96% farebox recovery ratio.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Chad Mason, Senior Planner

SUBJECT: Central Bay Operations and Maintenance Facility Project Update

Recommendation

There is no recommendation with this informational item.

Background/Discussion

The Central Bay Operations and Maintenance Facility (CBOMF) project will be the future home of WETA's central San Francisco Bay ferry fleet, providing a consolidated base for WETA to maintain vessels operating on its Alameda/Oakland, Alameda Harbor Bay, and South San Francisco ferry routes, as well as future Richmond, Seaplane Lagoon, and Treasure Island services under development.

The construction contract was awarded in April 2016 to Overaa/Power, A Joint Venture. The contract value is \$54,670,000. Approximately 75% of the contract value has been completed. The contract included a 10% Owner's contingency (\$4,970,000). To date, approximately \$1 million of the contingency has been allocated to change orders. The change orders addressed unforeseen site conditions, additional permitting requirements, and upgrades to improve the operational efficiency of the facility.

Construction of the project began in the fall of 2016. Since construction began, the contractor has completed dredging and waterside pile and float installation. The majority of utility improvements have been completed. The structure of the building was completed in the summer of 2017. The contractor is working to install the building's exterior cladding and windows. The contractor is also working to complete installation of the interior improvements and building systems. This project is scheduled for completion in May 2018. Staff will provide a status report on this work at the December Board meeting.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END