

Members of the Board

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

BOARD OF DIRECTORS MEETING
Thursday, July 6, 2017 at 1:15 p.m.
San Francisco Bay Area
Water Emergency Transportation Authority
Port of San Francisco
Pier 1; San Francisco

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
 - b. Monthly Review of Financial Statements
 - c. Legislative Update
6. CONSENT CALENDAR *Action*
 - a. Board Meeting Minutes – June 8, 2017
 - b. Authorize Release of an Invitation for Bids for Pile Reconfiguration Work at the North Bay Operations and Maintenance Facility
 - c. Authorize Release of a Request for Proposals for Phase Two Mid-Life Refurbishment of the MV *Peralta*
 - d. Authorize Release of a Request for Proposals for Emergency Dredging of the Vallejo Ferry Terminal Area
 - e. Authorize Release of a Request for Proposals for the MV *Solano* Propulsion Subcomponent Replacement Project
7. APPROVE CONTRACT AMENDMENT WITH POWER ENGINEERING CONSTRUCTION FOR PHASE TWO WORK FOR THE DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT *Action*
8. REVIEW SENATE BILL 595 (BEALL) - A REGIONAL MEASURE TO IMPROVE MOBILITY IN BAY AREA BRIDGE CORRIDORS *Information/Action*
9. DISCUSSION REGARDING MTC’S PROPOSAL TO PROGRAM REGIONAL MEASURE 2 OPERATING FUNDS TO NEW REGIONAL PROJECTS *Information/Action*
10. REPORT ON DISADVANTAGED BUSINESS ENTERPRISE AND SMALL BUSINESS ENTERPRISE GOAL ACHIEVEMENT FOR FFY 14-16 *Information*

**Water Emergency Transportation Authority
July 6, 2017 Meeting of the Board of Directors**

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

ADJOURNMENT

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.

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 California Government Code Section 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: July 6, 2017

RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE

Vessel Replacement – Central Bay

The MV *Encinal* and *Harbor Bay Express II* are included in the Capital Budget for replacement as they have reached the end of their useful lives (generally 25 years) and staff has secured funding commitments for replacement vessels. In December 2013, the Board of Directors approved a contract with Aurora Marine Design (AMD) for vessel construction management services 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.

Vessel 1 MV *Hydrus* – Vessel construction was completed in March and the vessel was placed into revenue service in April 2017.

Vessel 2 MV *Cetus* - The vessel construction is near completion. Sea trials are currently being conducted in Seattle. Delivery to San Francisco is expected in late July.

Vessel Replacement/New Construction - North Bay Vallejo and Richmond

This project will construct three new high-speed vessels; one to replace the MV *Vallejo* and two to support initiation of 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 first vessel is scheduled for delivery in December 2018.

New Vessel Construction – Central Bay Vessels 3 and 4

This project will construct two new 400-passenger vessels. On October 6, 2016 the Board of Directors approved a contract award to Vigor for vessel construction. Progress to date has included purchase of main propulsion engines and material for hull construction. Hull construction has begun for both vessels and Vessel 3 hulls are near completion. The cabin module is being built at the Vigor Harbor Island facility. Vessel 3 is currently on schedule for completion in January 2018 and Vessel 4 is scheduled for completion in November 2018.

MV *Pisces* Quarter-Life and Passenger Capacity Increase Project

This project provides for a general refurbishment of the vessel and will include the following components: refurbish shafts, propellers, rudders, replace bearings, replace and reupholster seating, replace carpets, renew deck coatings, touch up interior finishes, overhaul main engines, HVAC, electrical, plumbing, emission, fire and lifesaving safety systems. In addition, the scope of work for this project includes increasing the passenger capacity from 149 to 225. On October 6, 2016 the Board of Directors approved a contract award to Marine Group Boat Works. A project kick-off meeting was held on November 11. Work is progressing on this project and, the vessel is expected to be delivered in mid-July.

North Bay Operations and Maintenance Facility

This project constructed a new ferry operations and maintenance facility located on Mare Island in Vallejo. Construction of the facility is nearly complete. The team is working on a project close out punchlist with the construction contractors. A ribbon-cutting ceremony for the project was held on October 26, 2016. Operations and maintenance staff completed their transition into the new facility during the first week of January 2017 and are in the process of cleaning up and closing out the old maintenance site.

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. The Board of Directors awarded a construction contract to Overaa/Power, a Joint Venture, in July 2016. The contractor was issued a Notice to Proceed with landside construction and recently poured the concrete foundation. The foundation has been completed and steel framing is currently being installed at the site. This project is scheduled for completion in Spring/Summer 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 support emergency response capabilities.

On January 12, a Notice to Proceed was issued to begin construction of the project. Site work began in February 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 throughout the summer. The Board authorized a contract Amendment for a portion of the Phase Two Work in June. Staff is working with the contractor to negotiate a Guaranteed Maximum Price for the project including the balance of Phase Two Work. 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. The project design includes replacement of an existing facility (float and gangway) and a phased parking plan. New service will be operated by WETA 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 for existing services that may be available to WETA on an annual basis.

A contract was awarded to Ghirardelli Associates in September 2016 to provide construction management services for the new terminal. In February 2017, the WETA Board authorized the Executive Director to enter into required lease and shared maintenance Agreements with the City of Richmond, Orton Development and Ford Point LLC, approved a Project Labor Agreement with the Contra Costa Building Trades Council, and authorized staff to release a Request For Proposal (RFP) for terminal construction. The City of Richmond approved a lease for the project site at its meeting on May 16, 2017. A construction contract was awarded to Manson Construction Co. at the May Board meeting. Dredging is expected to begin in August.

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. Staff has developed a draft Memorandum of Understanding (MOU) for discussion with the City that would set forth the terms and conditions under which WETA would operate the future Treasure Island ferry service. The finalization and execution of the MOU for the Treasure Island service would be subject to consideration by the WETA Board.

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 have 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. Preliminary designs for the ferry landing should be available by summer 2017.

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 has been working with City and Port officials on a project MOU. City and Port staff are reaching out to also include the San Mateo Transportation Authority which will provide funding for the design and development stages of the project as a partner in the MOU.

SYSTEM PLANS/STUDIES

Alameda Terminals Access Initiatives

The City of Alameda City Council authorized a residential permit program for the Harbor Bay Ferry Terminal area in February 2017. City of Alameda staff has 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 will continue its outreach process through the end of August and begin active enforcement in September 2017. To make up for the loss of parking, WETA has been working with the City to develop strategies to enhance alternative access to the terminal. WETA has recently executed an agreement with AC Transit to offer a free transfer to ferry riders that take the bus to the ferry. In addition, bike lockers have been upgraded and new bike racks are being 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 a parking specialist consultant and will be evaluating 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 and it 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 the fall.

At Main Street, WETA staff has worked with City staff since spring 2015 to open the Officer's Club parking lot as an overflow lot for the many riders 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. Aside from parking, installation of 20 bicycle lockers at the Main Street terminal -- funded through a grant from the Bay Area Air Quality Management District -- occurred on February 22, 2016. Staff will shift its focus to additional improvements that can be made related to alternative terminal access modes such as buses, shuttles, bicycles, and pedestrian improvements after the parking improvements are underway. Staff has recently met with private companies such as 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.

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:

Communications: As a part of the development of the Emergency Response Plan approved by the Board in March 2016, staff identified a list of action items to bolster the WETA emergency response program, including several items to refine its communication systems:

- Staff is working on transferring WETA's P25 radios from the San Francisco's Citywide Emergency Radio System to the East Bay Regional Communication System (EBRCS). Radio testing occurred on March 25 and 26 and confirmed that EBRCS provides better coverage for WETA's emergency communication needs. WETA's radios are currently being programmed onto EBRCS and are expected to be functional within the next two weeks.

- Based on an analysis of various communication equipment, staff has determined that the best equipment to provide to Blue & Gold Fleet to implement their staff recall plan are satellite phones. Equipment has been ordered and is expected to be distributed to Blue & Gold Fleet shortly.

SF Bay Regional Port Reopening Coalition Emergency Fuel and Utilities Workshop:

This coalition is a group of partnering agencies in the maritime community working together to clarify the coordination process of the critical path to overall restoration of port operations following a catastrophic disaster through a series of discussion based workshops and exercises. As a follow up to the workshop series, it is the intent of this coalition to draft playbooks and begin to test them during the 2017 San Francisco Fleet Week Full Scale Exercise. On Thursday June 15, WETA participated in the coalition workshop focused on emergency fuel and utilities following a catastrophic event. The workshop focused on identifying resources, catastrophic emergency plans for operations post disaster, capability gaps for further mitigation efforts, and critical information to capture pre and post incident. From this workshop, a reference document will be created in the development of playbooks. Representatives from the following agencies attended: U.S. Coast Guard, U.S. Army Corps of Engineers, Department of Transportation, Federal Emergency Management Agency, California Governor's Office of Emergency Services, Maritime Administration, San Francisco Department of Emergency Management, the Ports of San Francisco and Oakland, as well as numerous representatives from private industry.

OPERATIONS REPORT

Planned fare adjustments and updates were implemented on July 1, consistent with WETA's five-year fare adjustment program.

On Monday 6/26/17 and Tuesday 6/27/17 Vallejo ferry arrivals and departures between the hours of 9:00 am and 11:30 am took place at the Mare Island Terminal, and not the Vallejo Ferry Terminal, due to extreme low tides and excessive silt accumulation resulting from the heavy rains this past winter. Buses were used to shuttle passengers between Mare Island and the Vallejo Ferry Terminal. Customer service agents were present to assist with loading buses. Staff is working to implement an emergency dredge of this area in September to address this situation until the next full dredge episode can take place as planned in August 2018. This is the subject of an action item on the July 6 meeting agenda.

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

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On June 8, Kevin Donnelly attended the San Francisco Bay Region Harbor Safety Committee Meeting.

On June 13, Nina Rannells participated in the Small Transit Operator General Manager's meeting in Contra Costa.

On June 13, Mike Gougherty participated in a panel discussion with SFMTA, Lyft, Scoot, Chariot and Salesforce on the Role of Private Transit in Shaping the City of San Francisco sponsored by Young Professionals in Transportation.

On June 15, Keith Stahnke and Kevin Donnelly attended the SF Bay Regional Port Reopening Coalition Emergency Fuel and Utilities Workshop.

On June 19, Ernest Sanchez and Kevin Donnelly attended a meeting in Oakland to discuss the design and planning phases for wayfinding signage throughout the Jack London Square District.

On June 23, Kevin Connolly was the featured speaker in a webinar hosted by the Bay Area Council Regional Measure 3 Ferry Advocacy Committee.

OTHER BUSINESS

Assembly Bill 1121 (Chiu)

Assemblymember David Chiu (D) San Francisco, has 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.

Senate Bill 595 (Beall) - Regional Measure 3

Conversations are underway with the California State Legislature and the Metropolitan Transportation Commission (MTC) to bring a new bridge toll funding measure (Regional Measure 3) to Bay Area ballots in 2018. Senate Bill 595 (Beall) was introduced by Senator Beall on February 17, 2017, as a placeholder for a bridge toll measure. This bill, which does not yet include significant details about the measure or associated projects, was passed out of the Senate to the Assembly on May 31, 2017, and is scheduled to be heard in Assembly Transportation on Monday, July 10.

The Board adopted a Regional Measure Three Principles and Investment Program at its June 2017 meeting. The Investment Program includes \$600 million in capital and up to \$41 million in annual operating subsidy. The benefits of the program will be a four-fold increase in WETA ferry service and new terminals in Berkeley, Alameda, Mission Bay and Redwood City. Staff, Board members and associated consultants working on behalf of WETA have since worked to convey WETA's support for a Regional Measure 3 with funding for our program of projects.

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 by the end of 2017. 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 in the process of gathering the information necessary to consider whether use of this fuel is technically and financially feasible. Testing by MTU engine manufacture and independent laboratories is currently being conducted.

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. This work is needed given the dramatic growth in the agency's program in recent years and the associated new and expanded work activities and workload taken on by employees as we have grown our system, assets and services. This initial work will take place over the next few months after which staff will bring forward a Salary and Benefits Resolution (required to be periodically authorized by the Board) and any recommended organizational or position changes for Board discussion and consideration.

END

Attachment A

Monthly Operating Statistics Report May 2017

			Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo*	Systemwide
Boardings	<i>vs. last month</i>	Total Passengers May 2017	113,033	29,436	12,878	93,699	249,046
		Total Passengers April 2017	96,479	26,896	11,247	83,885	218,507
		Percent change	17.16%	9.44%	14.50%	11.70%	13.98%
	<i>vs. same month last year</i>	Total Passengers May 2017	113,033	29,436	12,878	93,699	249,046
		Total Passengers May 2016	102,867	26,828	11,114	84,994	225,803
		Percent change	9.88%	9.72%	15.87%	10.24%	10.29%
	<i>vs. prior FY to date</i>	Total Passengers Current FY To Date	1,059,723	291,925	123,445	898,892	2,373,985
		Total Passengers Last FY To Date	1,032,662	283,489	114,041	865,102	2,295,294
		Percent change	2.62%	2.98%	8.25%	3.91%	3.43%
			Avg Weekday Ridership May 2017	3,645	1,338	585	3,333
Ops Stats		Passengers Per Hour	137	196	72	136	135
		Revenue Hours	826	150	178	690	1,844
		Revenue Miles	11,563	3,304	2,841	19,931	37,639
Fuel		Fuel Used (gallons)	45,973	10,611	12,409	175,438	244,432
		Avg Cost per gallon	\$1.94	\$1.94	\$1.94	\$1.87	\$1.89

* Includes backup bus boardings. May bus ridership totaled 147 for Vallejo.

MEMORANDUM

TO: Board Members

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

**SUBJECT: Monthly Review of FY 2016/17 Financial Statements for Eleven Months
Ending May 31, 2017**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2016/17 Financial Statements for eleven months ending May 31, 2017.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenue	15,179,006	16,693,463	16,586,829
Local Bridge Toll Revenue	10,821,754	17,959,671	12,802,708
Other Revenue	142,327	363,085	2,625
Total Operating Revenues	26,143,087	35,016,219	29,392,162
Expenses - Year To Date:			
Planning & Administration	2,278,391	2,753,425	2,227,084
Ferry Services	23,864,696	32,262,795	27,165,079
Total Operatings Expenses	26,143,087	35,016,219	29,392,162
System-Wide Farebox Recovery %	64%	52%	61%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2016/17 Budget
Revenues:		
Federal Funds	18,688,717	52.23%
State Funds	32,604,986	64.00%
Bridge Toll Revenues	12,575,657	44.83%
Other Local Funds	1,958,937	75.65%
Total Capital Revenues	65,828,297	56.09%
Expenses:		
Total Capital Expenses	65,828,297	56.09%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Area Water Emergency Transportation Authority
FY 2016/17 Statement of Revenues and Expenses
For Eleven Months Ending 5/31/2017

% of Year Elapsed 92%

	Current Month	Year - To - Date			Total	% of
		FY2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Actual	FY 2016/17 Budget	Total Budget
OPERATING EXPENSES						
<u>PLANNING & GENERAL ADMIN:</u>						
Wages and Fringe Benefits	\$78,207	\$1,296,851	\$1,303,288	\$1,228,489	1,420,000	86.5%
Services	93,611	1,045,252	1,563,486	1,002,749	1,703,500	58.9%
Materials and Supplies	2,159	8,911	60,575	40,949	66,000	62.0%
Utilities	2,552	19,423	24,781	19,828	27,000	73.4%
Insurance	-	-	25,699	1,178	28,000	4.2%
Miscellaneous	24,207	99,620	210,178	254,794	229,000	111.3%
Leases and Rentals	30,532	271,769	296,452	315,654	323,000	97.7%
Admin Overhead Expense Transfer	(57,342)	(463,435)	(731,034)	(636,557)	(796,500)	79.9%
Sub-Total Planning & Gen Admin	\$173,926	\$2,278,391	\$2,753,425	\$2,227,084	3,000,000	74.2%
<u>FERRY OPERATIONS:</u>						
<u>Harbor Bay FerryService</u>						
Purchased Transportation	\$102,647	\$1,471,546	\$1,704,278	\$1,345,836	1,856,900	72.5%
Fuel - Diesel & Urea	20,638	245,093	414,941	258,678	452,100	57.2%
Other Direct Operating Expenses	29,530	353,196	517,093	329,276	563,400	58.4%
Admin Overhead Expense Transfer	7,210	61,082	94,534	80,958	103,000	78.6%
Sub-Total Harbor Bay	\$160,025	\$2,130,917	\$2,730,847	\$2,014,748	2,975,400	67.7%
Farebox Recovery	81%	60%	50%	67%	50%	
<u>Alameda/Oakland Ferry Service</u>						
Purchased Transportation	\$493,271	\$5,147,640	\$6,564,899	\$6,408,971	7,152,800	89.6%
Fuel - Diesel & Urea	89,413	813,436	1,848,374	982,807	2,013,900	48.8%
Other Direct Operating Expenses	80,433	939,658	1,402,136	983,970	1,527,700	64.4%
Admin Overhead Expense Transfer	23,843	203,899	310,219	265,478	338,000	78.5%
Sub-Total Alameda/Oakland	\$686,961	\$7,104,633	\$10,125,627	\$8,641,226	11,032,400	78.3%
Farebox Recovery	80%	65%	52%	62%	52%	
<u>Vallejo FerryService</u>						
Purchased Transportation	\$1,009,433	\$8,379,108	\$9,517,579	\$9,497,185	10,369,900	91.6%
Fuel - Diesel & Urea	328,681	2,542,945	4,692,845	3,224,234	5,113,100	63.1%
Other Direct Operating Expenses	108,736	1,044,910	1,426,458	1,132,823	1,554,200	72.9%
Admin Overhead Expense Transfer	22,106	165,080	274,884	244,714	299,500	81.7%
Sub-Total Vallejo	\$1,468,957	\$12,132,043	\$15,911,766	\$14,098,956	17,336,700	81.3%
Farebox Recovery	57%	70%	59%	64%	59%	
<u>South San Francisco FerryService</u>						
Purchased Transportation	\$124,032	\$1,857,415	\$2,420,260	\$1,662,715	2,637,000	63.1%
Fuel - Diesel & Urea	24,135	316,986	528,933	316,238	576,300	54.9%
Other Direct Operating Expenses	73,226	289,326	493,964	385,789	538,200	71.7%
Admin Overhead Expense Transfer	4,183	33,375	51,397	45,407	56,000	81.1%
Sub-Total South San Francisco	\$225,576	\$2,497,103	\$3,494,555	\$2,410,149	3,807,500	63.3%
Farebox Recovery	40%	31%	23%	37%	23%	
Total Operating Expenses	\$2,715,444	\$26,143,087	\$35,016,219	\$29,392,162	38,152,000	77.0%
OPERATING REVENUES						
Fare Revenue	\$1,611,088	\$15,179,006	\$16,693,463	\$16,586,829	18,188,400	91.2%
Local - Bridge Toll	1,104,356	10,821,754	17,959,671	12,802,708	19,568,000	65.4%
Local - Alameda Tax & Assessment	-	-	363,085	-	395,600	0%
Local - Other Revenue	-	142,327	-	2,625	-	0%
Total Operating Revenues	\$2,715,444	\$26,143,087	\$35,016,219	\$29,392,162	38,152,000	77.0%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2016/17 Statement of Revenues and Expenses
For Eleven Months Ending 5/31/2017

Project Description	Current Month	Project Budget	Prior Years Actual	FY2016/17 Budget	FY2016/17 Actual	Future Year	% of Total Project Budget
CAPITAL EXPENSES							
FACILITIES:							
Maintenance and Operations Facilities							
North Bay Operations & Maintenance Facility	\$3,499	\$31,082,000	\$28,592,897	\$2,489,103	\$1,339,006	\$0	96%
Central Bay Operations & Maintenance Facility	2,191,657	69,500,000	4,425,134	32,962,866	22,414,231	32,112,000	39%
Terminal Improvement							
Electronic Bicycle Lockers	-	79,500	46,661	32,839	-	-	59%
Terminal Access Improvement	(406)	250,000	67,528	182,472	2,318	-	28%
Replace Terminal Fendering - East Bay Terminals	-	92,000	-	92,000	-	-	0%
FERRY VESSELS:							
Major Component Rehabilitation / Replacement							
Selective Catalyst Reduction (SCR) System Overhaul	-	1,400,000	61,008	1,338,992	21,243	-	6%
Major Component Rehabilitation - Solano	-	430,000	-	430,000	8,503	-	2%
Vessel Engine Overhaul - Bay Breeze	-	850,000	-	850,000	-	-	0%
Vessel Engine Overhaul - Scorpio	-	625,000	-	625,000	316,679	-	51%
Major Component & Waterjets Rehab - Mare Island	1,015	3,600,000	-	3,600,000	2,120,777	-	59%
Vessel Mid-Life Repower/Refurbishment							
Vessel Qtr-Life Refurb & Capacity Increase - Gemini	-	3,507,000	2,053,446	1,453,554	1,276,742	-	95%
Vessel Qtr-Life Refurb & Capacity Increase - Pisces	309,095	4,100,000	-	4,100,000	2,359,864	-	58%
Vessel Qtr-Life Refurbishment - Taurus	8,416	2,500,000	-	2,500,000	19,192	-	1%
Vessel Expansion/Replacement							
Purchase Replacement Vessel - Express II & Encinal	4,331,095	33,951,000	19,724,430	14,226,570	9,184,041	-	85%
Purchase Replacement Vessel - Vallejo	99	23,372,000	56,940	8,447,060	3,525,676	14,868,000	15%
CAPITAL EQUIPMENT / OTHER:							
Purchase Heavy Duty Forklift	-	105,000	-	105,000	81,616	-	78%
Purchase Utility Vehicles	-	50,000	-	50,000	42,201	-	84%
CCTV and LCD Network Integration	-	400,000	-	300,000	-	100,000	0%
SERVICE EXPANSION:							
Terminal/Berthing Expansion Construction							
Downtown Ferry Terminal Expansion - South Basin	2,980,275	97,965,000	5,569,989	8,279,011	6,886,401	84,116,000	13%
Richmond Ferry Terminal	133,275	20,000,000	1,383,228	4,403,772	1,126,763	14,213,000	13%
Expansion Ferry Vessels							
Richmond Ferry Vessels - 2 each	-	46,745,000	105,789	16,897,211	7,041,063	29,742,000	15%
Two New 400-Passenger Vessels	2,481	33,400,000	-	14,000,000	8,061,981	19,400,000	24%
Total Capital Expenses	\$9,960,500	\$374,003,500	\$62,087,050	117,365,450	\$65,828,297	\$194,551,000	
CAPITAL REVENUES							
Federal Funds	\$3,755,085	\$67,394,384	\$13,093,526	\$35,779,068	\$18,688,717	\$18,521,790	47%
State Funds	2,962,033	242,196,825	37,429,974	50,946,164	32,604,986	153,820,687	29%
Local - Bridge Toll	2,603,029	58,293,891	8,584,455	28,050,913	12,575,657	21,658,523	36%
Local - Alameda Sales Tax Measure B / BB	534,200	4,950,000	2,949,095	2,000,905	1,687,161	-	94%
Local - Alameda TIF / LLAD	106,153	18,400	-	18,400	271,775	-	1477%
Local - San Francisco Sales Tax Prop K	-	1,100,000	-	550,000	-	550,000	0%
Local - Transportation Funds for Clean Air	-	50,000	30,000	20,000	-	-	60%
Total Capital Revenues	\$9,960,500	\$374,003,500	\$62,087,050	\$117,365,450	\$65,828,297	\$194,551,000	

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AGENDA ITEM 5c
MEETING: July 6, 2017

MEMORANDUM

TO: WETA Board Members

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

SUBJECT: WETA Federal Legislative Board Report – June 28, 2017

This report covers the following topics:

1. White House Focuses on Permitting During Infrastructure Week
2. Infrastructure Bill Continues to Take a Back Seat to Health Care, Tax Reform and Russia
3. Next FTA Ferry Grant Program Notice of Funding Opportunity *Should* Be Released Soon

White House Focuses on Permitting During Infrastructure Week

The White House dubbed the week of June 5 as “Infrastructure Week” and held a series of events and made a series of announcements throughout the week related to the President’s plan for infrastructure investment and permitting reform.

As part of Infrastructure Week, President Trump highlighted the Federal Permitting Improvement Steering Council (FPISC, pronounced “Fip-See”), which is charged with helping infrastructure project managers navigate a federal permitting process he described as “painfully slow, costly and time-consuming.” The President said the new council will set up an online “dashboard” allowing the public to track “major projects” as they wind their way through stages of approval. FPISC was created by Title 41 of the FAST Act (the same law that changed the FHWA ferry formula and increased funding for that program), which was signed into law back in December 2015. The process for expediting the permitting of big infrastructure projects through FPISC is being referred to as “FAST 41”.

It is interesting to note that Title 41 is, for all effective purposes, a codification of a program that President Obama initiated during his presidency to streamline the permitting process and make it more transparent. Obama’s version of this was called the Federal Infrastructure Projects Dashboard and was created by a March 22, 2012 Executive Order. While many project sponsors have said that President Obama’s Dashboard did little to expedite the permitting of large infrastructure projects, WETA in fact had a positive experience with the Dashboard for the Downtown SF Ferry Terminal project. For WETA, permitting agencies were held accountable and the process moved forward at a relatively quicker pace than WETA had experienced with other projects.

It will remain to be seen what sort of results President Trump's implementation of FAST 41 will yield. Given WETA's experience with the Dashboard and our experience working with White House staff focused on infrastructure and permitting issues, we believe it is something to consider for the Mission Bay project.

Also announced during Infrastructure Week is the fact that the White House is establishing a new office within the Council of Environmental Quality (CEQ) "to root out inefficiency, clarify lines of authority, and streamline federal, state and local procedures so that communities can modernize their aging infrastructure without fear of outdated federal rules getting in the way". Presumably, this office will work in conjunction with FPISC. The point person for permitting in CEQ is someone that worked on the Senate Environment and Public Works (EPW) Committee and is well-respected in the infrastructure world.

Infrastructure Bill Continues to Take a Back Seat to Health Care, Tax Reform and Russia

Although members of Congress and the President continue to say that passage of an infrastructure bill is a top priority, that issue seems to have been sidelined – at least for the moment – by efforts to repeal or reform the Affordable Care Act, discussions about how to move forward with a tax reform package (or a short term tax cut) and issues related to the Russia investigation. In fact, on the latter, the President's "Infrastructure Week" was largely overshadowed by the testimony of former FBI Director James Comey.

Nonetheless, we continue to promote the concept of additional funding for the Federal Transit Administration (FTA) discretionary grant program and the Federal Highway Administration (FHWA) formula grant program. We are specifically looking for any opportunity to increase the amount of money available to WETA for the construction of ferry boats and terminals, and we want to have a base of support ready to go if Congress and the White House find a way to move forward on an infrastructure package.

Next FTA Ferry Grant Program Notice of Funding Opportunity *Should* Be Released Soon

The last time we inquired with FTA about the timing for the next FTA Ferry Grant Program Notice of Funding Opportunity, they said it would be issued in "early summer". It is now "early summer", which presumably means a NOFO will be issued in the coming weeks. We will be prepared to work with the Congressional delegation to convey support to FTA for whatever project WETA seeks funding.

Respectfully Submitted,
Peter Friedmann and Ray Bucheger

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

(June 8, 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 1:19 p.m.

2. ROLL CALL

Chair Breckenridge, Director Timothy Donovan, and Director Anthony Intintoli were in attendance.

3. REPORT OF BOARD CHAIR

No report from Board Chair.

4. REPORTS OF DIRECTORS

No reports from Directors.

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 a brief overview of recent Vallejo ridership highlights, including a 98.25 percent service reliability average for fiscal year 2017. He said that number was 99 percent for the month of May 2017, and noted that North Bay ridership demands continue to rise steadily with several trips during the commute periods hitting capacity already this summer. Mr. Stahnke said staff continues to strive for increased service reliability, and noted that delivery of the new vessels on order will greatly aid those endeavors.

Mr. Stahnke also updated Directors on the status of research into WETA's possible use of the renewable diesel, R99, in its vessels. He said some preliminary tests had been received and that more comprehensive work was underway.

6. CONSENT CALENDAR

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

- a. Board Meeting Minutes – May 11, 2017
- b. Overview of FY 2016/17 Financial Audit Scope and Process

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

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

7. AMEND CONTRACT WITH POWER ENGINEERING CONSTRUCTION FOR PHASE TWO WORK FOR THE DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT

Senior Planner Michael Gougherty presented this item to approve an amendment to the contract with Power Engineering Construction for Phase Two Work for the Downtown San Francisco Ferry Terminal

Expansion Project in the amount of \$15,450,000, and authorize the Executive Director to negotiate and enter into a contract amendment for this work and take any other related actions as may be necessary to support this work. He gave a short presentation on the status of the project, and noted that the first pile had been driven for the waterside component of the project. Mr. Gougherty further explained that the Phase One Work was expected to be completed on time, by the end of November 2017. He said he expected to bring the balance of the Phase Two work award to the Board in July, and he emphasized that this item was recommended in June to help assure the project and work remain on schedule and on budget.

Director Intintoli made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

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

8. APPROVE CONTRACT AWARD TO BAY SHIP & YACHT CO. FOR MV TAURUS QUARTER LIFE REFURBISHMENT PROJECT

Operations Manager Keith Stahnke presented this item to approve a contract award to Bay Ship & Yacht Co. for the MV *Taurus* Quarter Life Refurbishment Project in the amount of \$2,400,000 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.

Director Donovan made a motion to approve the item.

Director Intintoli seconded the motion and the item carried unanimously.

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

9. APPROVE CONTRACT AWARD TO HANSON BRIDGETT LLP FOR THE PROVISION OF LEGAL SERVICES AS GENERAL COUNSEL

Ms. Rannells presented this item to approve a contract award to Hanson Bridgett LLP for provision of general counsel legal services for an initial term through June 30, 2022, with the option to extend the contract an additional five years, and authorize the Executive Director to negotiate and execute a contract.

Ms. Rannells extended her gratitude to Stanley Taylor, Danielle Gensch and the entire team at Nossaman LLP for their fine work on behalf of the agency during the last fourteen years that they have provided general counsel services. Chair Breckenridge and Directors Intintoli and Donovan echoed that appreciation and thanked Mr. Taylor and the Nossaman team for their efforts and commitment to WETA.

Mr. Taylor thanked Directors for allowing Nossaman to represent WETA as General Counsel since 2004.

Director Intintoli made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

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

10. APPROVE CONTRACT AWARD TO LINDSAY HART LLP/FBB FEDERAL RELATIONS FOR THE PROVISION OF FEDERAL LOBBYING SERVICES

Program Manager/Analyst Lauren Gularte presented this item to approve a contract award to Lindsay Hart LLP/FBB Federal Relations for the provision of federal lobbying services in an amount of \$360,000 for FY 2017/18 through FY 2019/20 and authorize the Executive Director to execute the contract.

Director Intintoli made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

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

11. APPROVE PROPOSED REGIONAL MEASURE 3 PRINCIPLES AND FERRY INVESTMENT PROGRAM

Planning and Development Manager Kevin Connolly presented this item to adopt a proposal for a Regional Measure 3 (RM3) Principles and Ferry Investment Program as the basis for enhancing ferry service through a future bridge toll funding measure. He presented a slideshow to Directors and explained that discussions about RM3 were ramping up. Mr. Connolly said that this proposal, along with the WETA Strategic Plan, will help to clarify and narrow the focus of WETA's RM3 funding objectives approach.

Chair Breckenridge said a comprehensive engagement plan for RM3 should be developed to support discussions in Sacramento since the proposed measure is progressing rapidly.

The Board expressed concern about potential competition from private, commercial entities for the scant public funding available currently and historically for public transit. It was noted that funding for ferries is already limited and that public funds are to fund public services.

Chair Breckenridge noted that it was conceivable that in some emergency response scenarios, WETA may have a need to contract with private entities for the use of smaller vessels to provide access into areas of the bay that WETA vessels cannot navigate.

PUBLIC COMMENT

Redwood City Councilmember Diane Howard thanked Directors for their work in bringing the WETA system to its current status. She noted that RM3 presents the only opportunity for new operating subsidies to support WETA system expansion and growth. Ms. Howard said that Redwood City officials have sent letters to state officials as well as to the Bay Area Council in support of a ferry system for Redwood City and RM3 funding for WETA. She said Redwood City would continue those lobbying efforts.

Port of Redwood City Executive Director Mike Giari said that WETA staff had recently met in South San Francisco where Port of Redwood City Commissioner Lorianna Kastrop was in attendance to discuss the WETA 2016 Strategic Plan. He said that as a Board member of the Redwood City San Mateo Chamber of Commerce, he would also like WETA staff to come to a Chamber of Commerce meeting to explain how the Strategic Plan lines up with RM3 funding. Mr. Giari noted that the business community in Redwood City would like to better understand how they can get expanded WETA service to Redwood City.

Inlandboatmen's Union (IBU) Regional Director Marina V. Secchitano said she felt strongly that public funding should not go to private, commercial operators. She said that it is already difficult enough to get the funding needed to provide the service WETA has been providing and she urged Directors to remove Item 5 of the proposal altogether.

Representing Masters, Mates & Pilots (MM&P), Veronica Sanchez said she agreed that no private operators should receive public RM3 dollars. She said that in that spirit, she would like to see the Warriors pay for the required operating subsidies for a future Mission Bay service. Ms. Sanchez added that none of the smaller, private operators are interested in having discussions about their crews with MM&P or IBU.

Bay Area Council Policy Director Emily Loper thanked Ms. Rannells, Mr. Connolly and WETA staff for their work on the proposal and said that the Bay Area Council was prepared to continue their efforts and advocacy to assure WETA is funded with RM3 and able to expand as detailed in the WETA Strategic Plan.

Port of Redwood City Commissioner Lorianna Kastrop thanked Directors for including Redwood City in WETA's Strategic Plan and for clarifying what is involved in getting ferry service out to Redwood City. She said she has been talking with employers about Redwood City ferry service and said she has been discussing private public partnerships with those employers to support the ferry service. She said she has also been discussing this with the Bay Area Council, Economic Development Association and others. Ms. Kastrop said the Port of Redwood City has public facilities and will be having a festival in October that everyone was invited to attend. She emphasized that attendance at the PortFest event will show everyone how wonderful the Port of Redwood City is and why ferry service to Redwood City is so important. Ms. Kastrop noted that she had recently had a conversation with a member of the public who lives in Oakland and wants to commute by ferry to his job in San Carlos.

After discussion of the proposal and at the request of Directors, Chair Breckenridge adjourned the meeting for a short recess at 2:57 p.m. to discuss modifying the proposed language for Item 5 to further clarify WETA's support of partner agencies water transportation initiatives.

The Board returned from the recess at 3:10 p.m. and Ms. Rannells read the new language for Item 5 of the proposal. She said the revision for the Item's vote consideration now had a title of "Continued Partner Development" with a description of "Work with local communities to explore options for developing new WETA services." Chair Breckenridge said that the principles being voted on in this item with the new language were going to be included in what will be sent to the Metropolitan Transportation Commission on a one page information sheet and also used to further WETA's education and funding efforts in Sacramento.

Director Intintoli made a motion to approve the item as modified.

Director Donovan seconded the motion and the item carried unanimously.

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

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

No further public comments.

All business having been concluded, the meeting was adjourned at 3:14 p.m.

Signed,

Board Secretary

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Release of an Invitation for Bids for Pile Reconfiguration Work at the North Bay Operations and Maintenance Facility

Recommendation

Authorize the release of an Invitation for Bids (IFB) for Pile Reconfiguration Work at the North Bay Maintenance and Operations Facility.

Background

Construction of the North Bay Operations and Maintenance Facility was substantially completed in 2016 and operations at the facility commenced in January 2017. Since operations commenced several issues have been identified with regard to the piles and facility configuration. These issues include:

- 1) Ferries that pull into Berth 1, perpendicular to the river, are finding challenging conditions with the tidal currents. The strong currents can make safe mooring and berthing operations difficult. Installation of a new 36-inch diameter guide pile is proposed so that ferries can berth more easily and safely maneuver into Berth 1.
- 2) The access gangway is not protected from ferries pulling into Berth 5 and Berth 6 adjacent to the quay wall. To protect the gangway from a ferry inadvertently propelling forward at Berth 5 and 6, two 24-inch diameter steel pipe fender piles are proposed, one to be installed on each side of the gangway. Two new piles are proposed and are intended to be sacrificial in the event of an accidental ferry impact to preserve the gangway and protect staff and public safety.
- 3) During the original pile installation a guide pile was installed on the south side of the facility that encountered an obstruction. This resulted in the pile being slightly out of plum. The pile will be removed and reinstalled approximately six feet to the south.

Discussion

Staff engaged the services of the original project engineer, GHD, to assist with the design and permitting effort for the reconfiguration work. GHD has completed a concept design to facilitate coordination with relevant permitting agencies. Resource agency coordination is underway. WETA anticipates completion of the modifications during the 2017 work window (August 1 to October 30) in accordance with the work window placed on the original project construction.

This IFB will solicit qualified firms to provide the pile driving work described above. The procurement process will follow WETA administrative procedure requirements. Once authorized, staff will release the IFB to select a contractor for the pile reconfiguration. Staff anticipates being in a position to return to the Board with a recommendation for contract award for this work in late summer 2017 so that work can proceed during the allowable work window in fall 2017.

Fiscal Impact

There is no fiscal impact associated with the release of this IFB. The North Bay Operations and Maintenance Facility project is included in the FY 2017/18 Capital Budget at a cost of \$31,082,000, funded with a combination of the Federal and State grant funds. The balance of funds in this project should be sufficient to complete this adjustment work.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Release of a Request for Proposals for Phase Two Mid-Life Refurbishment of the MV *Peralta*

Recommendation

Authorize the release of Request for Proposals (RFP) for Phase Two mid-life refurbishment of the MV *Peralta*.

Background

This RFP will solicit qualified firms to provide Shipyard Services for Phase Two of the mid-life refurbishment of the ferry vessel MV *Peralta*. The procurement process will follow WETA administrative and Federal Transit Administration (FTA) procurement procedure requirements.

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. To ensure safe and reliable operation and to achieve the full service life, a mid-life refurbishment is required. This project consists of main engines overhaul, refurbishment of the passenger cabin, major system renovation, and replacement of control systems and navigation electronics.

This project was started in 2015 and divided into two phases due to the need to keep this vessel in service as ferry ridership was growing dramatically and back up vessels were unavailable. The first phase of this work focused on major machinery overhauls and was awarded to Bay Ship & Yacht by the Board of Directors in February 2015. Phase One vessel work completed in 2015 included the following:

- Main engine, marine transmission and generator major overhauls
- Replacement of major drive train components; shafting, propellers, rudder bearings
- Hull, topside and bottom painting
- Passenger cabin paint and carpet
- Decks and stairways sandblasted with new nonskid and paint

Discussion

Since Phase One work was completed the MV *Peralta* has been in near continuous operation with service hours increasing to meet ridership demand. Phase Two work was deferred a full year due to the increasing demand for services and WETA's limited fleet of vessels with which to deliver service. With arrival of the ferries MV *Hydrus* and *Cetus* this spring/summer, staff is preparing to remove the MV *Peralta* from service to complete the much-needed Phase Two work.

The standard work proposed to be completed as part of Phase Two of the MV *Peralta* mid-life refurbishment includes:

- Renovation of the heads and galley
- Exterior paint
- Navigation electronics
- Control systems upgrades
- Steering system replacement

Additional specialized work will need to be completed as a part of this project to address excessive vibrations affecting plating near the rudder stock and skeg areas of the hull. Staff is working with a variety of consultants, including the vessel designer International Catamarans (InCat), Noise Control Engineering and Maritime Research Associates, to analyze the cause of the vibrations and to design modifications to address the issue. This work should be completed the week of July 10 and will be incorporated into the technical specifications for the project issued as a part of the RFP.

With approval to release the RFP for this project in July, staff anticipates being in a position to return to the Board with a recommendation for contract award for this work in late summer. This will allow sufficient lead time to order parts and complete project work during the Fall/Winter of 2017/18.

Fiscal Impact

There is no fiscal impact associated with the release of this RFP. The total MV *Peralta* mid-life project budget is \$5,260,000, including \$2,111,000 in the FY 2017/18 Capital Budget to support Phase Two work. Staff anticipates that additional funds will be needed to carry out the full extent of the Phase Two midlife and specialized hull work. Staff has identified additional capital funds that can be utilized to support this project and will prepare required budget and grant amendments as a part of the future action to award a contract to complete the project work.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Release of a Request for Proposals for Emergency Dredging of the Vallejo Ferry Terminal Area

Recommendation

Authorize staff to issue a Request for Proposals for emergency dredging of the Vallejo Ferry Terminal area.

Background/Discussion

Maintenance dredging at the Vallejo Terminal was performed in 1998, 2003, 2008, 2011, and 2015. On average that equates to a maintenance dredging periodicity of once every 4-5 years. Due to record rainfall totals in Northern California during the winter of 2016/2017, we have seen accelerated accretion of silt in the Vallejo Ferry Terminal basin. Staff had an interim hydrographic survey done in January of 2017 following the worst of the winter storms. The survey indicated that 77% of the material dredged in 2015 had already come back into the basin. Historically we see 2% silt return per month. Since the 2015 dredging episode, we have seen 5% silt return per month on average.

Maintenance dredging was anticipated to be needed in 2018 due to the high Napa River runoff. However, given the recent findings during minus tides on June 26 and 27, staff has determined that WETA needs to perform emergency interim dredging as soon as possible to bridge us to the 2018 dredge window when we can plan to perform a comprehensive dredge of the Vallejo Terminal area. The work window for dredging in the Mare Island Strait is limited to August-October each year. WETA's permits are in place, but episode approval needs to be granted by the Dredge Materials Management Office (DMMO) prior to dredging. Staff anticipates receiving episode approval from the DMMO at their August 9th meeting. This should allow sufficient time for WETA to procure emergency dredging services and begin dredging in early September 2017.

It is anticipated that we will need to dredge 3,000 cubic yards of material to clear the Vallejo Terminal area for operation through August 2018. There will be minus tide events in July and August this summer, before dredging can occur, that will necessitate using a shuttle bus during the morning commute to take passengers to and from the Mare Island Ferry Terminal for travel between Vallejo and San Francisco. It is believed that dredging can occur while maintaining regular ferry service at the Vallejo Ferry Terminal berths.

Fiscal Impact

The cost to perform the necessary regulatory body liaison, engineering, and actual dredging operations is approximately \$150,000 and would be paid with FY 2017/18 Operating Budget funds.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Release of a Request for Proposals for the MV *Solano* Propulsion Subcomponent Replacement Project

Recommendation

Authorize release of a Request for Proposals (RFP) for the MV *Solano* Propulsion Subcomponent Replacement Project.

Background

The MV *Solano* was built by Dakota Creek Industries, Inc. in 2004. The Propulsion Subcomponent Replacement Project will improve vessel machinery reliability. This project is required to ensure the vessel operates reliably and safely, and is necessary to support operation of this vessel in revenue service for its full 25 year life expectancy.

Last year WETA released a RFP for this project with additional work items for vessel improvements including;

- Installation of LED lighting in the passenger cabins and construction of additional bicycle racks.

Three proposals were received; all exceeded the project budget. After reviewing the proposals it was determined that to stay within the project budget the scope of work would need to be reduced. WETA procurement rules stipulate that if major changes to an RFP are required that the RFP be cancelled and, if appropriate, reissued to all prospective offerors. At this time staff proposes to reduce the scope of the project to include necessary propulsion sub-components and complete the additional work items during the MV *Solano* Mid-Life rehabilitation currently scheduled in FY 2019/20.

Discussion

This project on the MV *Solano* will include the following components:

- Replacement of bearings and shafting between the main propulsion engines and marine reduction gears.

The MV *Solano* project is planned for winter/spring of 2017/18 and will be coordinated with other winter maintenance of WETA vessels. Staff anticipates being in a position to return to the Board with a recommendation for contract award for this work later this fall.

Fiscal Impact

There is no fiscal impact associated with the release of the project RFP. This project is included in the FY 2017/18 Capital Budget at a cost of \$430,000 funded with Federal Transit Administration (FTA) grant funds and Regional Measure 1 – 2% Capital (RM1 – 2%) funds.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Contract Amendment with Power Engineering Construction for Phase Two Work for the Downtown San Francisco Ferry Terminal Expansion Project

Recommendation

Approve the following related actions for the amendment of the Construction Manager at Risk contract with Power Engineering Construction for Phase Two Work for the Downtown San Francisco Ferry Terminal Expansion (FTX):

1. Approve a contract amendment with Power Engineering Construction for an amount not-to-exceed \$48,579,500 to complete Phase Two Work; and
2. Authorize the Executive Director to negotiate and enter into a contract amendment for this work and take any other related actions as may be necessary to support this work.

Background

The FTX project is being developed by WETA to expand and improve facilities at the existing ferry terminal in Downtown San Francisco. The project will include construction of two new ferry gates (Gates F and G) and reconstruction of existing Gate E, landside pedestrian circulation improvements, installation of amenities such as weather-protected areas for queuing, and decking over the current "lagoon" area south of the Ferry Building to enhance WETA's emergency response capabilities, improve the passenger waiting environment and support future system expansion.

On January 12, 2017 the Board of Directors approved award of a Construction Manager at Risk (CMAR) contract for the FTX to Power Engineering Construction. The CMAR contract was awarded in the amount of \$14,819,500 to support Phase One Work which includes Early Construction Work (demolition, dredging, and pile driving) to be completed by November 30, 2017, as well as pre-construction services in support of WETA's efforts to finalize construction documents for the project. The terms of the contract allow WETA to negotiate with Power Engineering Construction to perform the Phase Two Work required to complete construction of the project, subject to approval by the WETA Board.

On June 8, 2017 the Board of Directors approved a contract amendment in the amount of \$15,450,000 for a portion of the Phase Two Work that included fabrication and delivery of the float and gangway superstructures for Gates F & G, the pedestrian bridge, and the new gangway superstructure for Gate E. This work was awarded prior to the rest of the Phase Two Work as it was deemed a critical path item to maintaining the overall project schedule.

Discussion

In the past month, staff has engaged in negotiations with Power Engineering Construction Company to provide a Guaranteed Maximum Price for the remainder of the Phase Two Work required to complete the FTX project. This work includes construction of the reinforced concrete wharf, promenade walkway and plaza areas, as well as completion and installation of the floats and gangways that the contractor has begun fabricating under the contract amendment approved by the Board last month.

The contractor has submitted its initial Guaranteed Maximum Price proposal to WETA, which includes an “open book” breakdown of their cost estimating for all self-performed work and actual quotes received from vendors that have responded to the contractor’s requests for proposal to perform as subcontractors on the project. Pursuant to terms of the CMAR agreement, the contractor has provided WETA with full access to its records and pricing, as well as all background information requested. WETA and its consultant staff supporting the project have reviewed the proposal and confirmed that it includes the entire scope required to complete construction of the FTX project within the budget of \$48,579,500 remaining for project construction. At the same time, all members of the team believe that cost efficiencies can still be achieved and that negotiations and project refinements should continue to achieve the optimum balance of price and final project design.

Staff recommends that the Board approve a contract amendment with Power Engineering Construction for an amount not-to-exceed \$48,579,500. Pending Board approval, staff would proceed with final negotiations to define a final Guaranteed Maximum Price for the contractor to complete the Phase Two Work for an amount not-to-exceed \$48,579,000, including Owner’s Contingency.

Fiscal Impact

The Downtown San Francisco Ferry Terminal Expansion project is included in the FY 2016/17 Capital Budget in the amount of \$97,965,000. This project is funded as follows: \$66,197,422 State Proposition 1B (68%), \$21,968,210 Regional Measure 2 (23%), \$8,699,368 Federal (9%), and \$1,100,000 San Francisco Proposition K (1%) funds. Sufficient funds are available in the project budget to support this contract amendment.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2017-20

AMEND CONTRACT WITH POWER ENGINEERING CONSTRUCTION FOR PHASE TWO WORK FOR THE DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT AND AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE THE AGREEMENT

WHEREAS, on January 12, 2017 the WETA Board of Directors awarded a Construction Manager at Risk Agreement with Power Engineering Construction for the Phase One Work for the Downtown San Francisco Ferry Terminal Expansion in the amount of \$14,819,500, including Owner's Contingency; and

WHEREAS, this award was made with the understanding that future amendment of the agreement with Power Engineering Construction for the Phase Two Work would be contingent on negotiation and agreement of a Guaranteed Maximum Price for the Phase Two Work, subject to provisions of the Agreement, and subject to future approval by the Board of Directors; and

WHEREAS, on June 8, 2017 the Board approved a contract amendment in the amount of \$15,450,000, including Owner's Contingency, to provide a portion of the Phase Two Work including fabrication and delivery of the float and gangway superstructures for Gates F & G and Gate G pedestrian bridge, as well as the new gangway superstructure for Gate E; and

WHEREAS, staff has engaged in negotiations with Power Engineering Construction to perform the remaining Phase Two Work required to complete the Downtown San Francisco Ferry Terminal Expansion; and

WHEREAS, staff recommends the award of a contract amendment to perform the remaining Phase Two Work required to complete the Downtown San Francisco Ferry Terminal Expansion; and now, therefore, be it

RESOLVED, that the Board of Directors hereby approves the award of a contract amendment with Power Engineering Construction for Phase Two Work for the Downtown San Francisco Ferry Terminal Expansion Project in an amount not to exceed \$48,579,500, including Owner's Contingency; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute the amendment and take any other related actions 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 July 6, 2017.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2017-20

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning and Development Manager

SUBJECT: Review Senate Bill 595 (Beall) - A Regional Measure to Improve Mobility in Bay Area Bridge Corridors

Recommendation

Review Senate Bill 595 and consider action to support, oppose or seek amendments to the bill.

Background/Discussion

Conversations are underway with the California State Legislature and the Metropolitan Transportation Commission (MTC) to bring a new bridge toll funding measure (Regional Measure 3) to Bay Area ballots in 2018.

The WETA Board of Directors adopted a Regional Measure Three Principles and Investment Program at its June 2017 meeting (provided as Attachment A). This Investment Program includes \$600 million in capital and up to \$41 million in annual operating subsidy. The benefits of the program will be a four-fold increase in WETA ferry service and new terminals in Berkeley, Alameda, Mission Bay and Redwood City. Staff, Board members and associated consultants working on behalf of WETA have since utilized this program to convey WETA's needs and support for a Regional Measure 3 with funding for our program of projects.

Discussion

Senate Bill 595 (provided as Attachment B) was introduced by Senator Beall on February 17, 2017, as a placeholder for a bridge toll measure. SB 595 was passed from the Senate to the Assembly on May 31, 2017, and is scheduled to be heard in the Assembly Transportation Committee on Monday, July 10. A mark-up of the bill is expected to be available in print on Wednesday, July 5. Staff will provide copies of the mark-up at the Board meeting for review and discussion, at which time the Board may take a formal position on the bill or provide staff with direction in how to proceed to support, oppose or seek amendments to the proposed bill language.

Fiscal Impact

There is no fiscal impact associated with this item. However, it should be noted that bridge tolls represent the single largest form of operating subsidy available to WETA to support its ferry transportation operations. A new bridge toll measure will be critical to WETA's ability to maintain, sustain and expand regional ferry services to address traffic congestion and provide emergency response and recovery ferry transportation services in the San Francisco Bay Area.

END

Item 8 - Attachment A

AGENDA ITEM 11
MEETING: June 8, 2017

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development

SUBJECT: Approve Proposed Regional Measure 3 Principles and Ferry Investment Program

Recommendation

Adopt the proposed Regional Measure 3 Principles and Ferry Investment Program as the basis for enhancing ferry service through a future bridge toll funding measure.

Background

Preparations are underway by the California State Legislature and the Metropolitan Transportation Commission (MTC) to bring a new bridge toll funding measure - Regional Measure 3 (RM3) - to Bay Area ballots in 2018. In anticipation of the new measure, regional agencies such as MTC and Congestion Management Agencies (CMAs) have begun discussions over priorities for programs and projects.

MTC held a workshop for its Commission in December 2016 and an initial meeting with stakeholders serving the Bay Bridge corridor in February 2017. There are likely to be many more discussions over the coming months aimed at developing the best mix of projects and programs to address congestion on the state-owned bridges. The Alameda County Transportation Commission adopted a list of priority projects that included the Berkeley and Seaplane Lagoon terminals along with additional vessels to support WETA service enhancement. The San Francisco County Transportation Authority adopted a list of RM3 projects that included both the Mission Bay and Treasure Island ferry terminals. Contra Costa, Solano and San Mateo counties will likely be developing priorities and conducting discussions with staff and elected officials over the coming year.

WETA adopted its Strategic Plan in October 2016. The Strategic Plan presents a vision for expanded and enhanced ferry service throughout San Francisco Bay. To date, staff has used the full program of projects contained in the Strategic Plan and *Appendix A – Cost Estimate for WETA Expansion and Enhancement Plan* as the basis for RM3 discussions. This program includes a set of projects that supports enhanced services on existing routes, establishing new routes and services and continuing to develop emerging projects. This program requires \$49 million in new annual operating funds and \$725 million in capital funds, including \$575 million to support new assets and \$150 million to provide local match for rehabilitation and replacement of existing system assets (all in \$2017). This plan also presents the case for greater support and flexibility from RM2 funds to support the continued operation of existing services.

Discussion

The State Legislature and MTC are currently meeting with stakeholders and will be developing project lists over the summer months with the goal of bringing a RM3 bill to the floor by September 1, 2017. The proposed principles and investment program contained in this item are intended to serve as an input to these discussions as WETA is asked to prioritize its Strategic Plan projects for inclusion in RM3.

The proposed Regional Measure 3 Investment Principles support development of a program of projects that can be delivered within the next 10 years and would offer near-term congestion relief to the Bay Area's congested bridge corridors. The Regional Measure 3 Investment Program calls for a \$600 million capital investment in the ferry network of the future. An annual operating subsidy of \$41 million would be required at full buildout of the proposed system. For simplicity, this investment is expressed in 2017 dollars. There would need to be an exercise conducted to escalate the dollars for their actual investment year.

At full buildout, the WETA system will offer 15-minute or 30-minute peak service frequencies and 29 vessels serving 14 terminals throughout San Francisco Bay. This level of investment would increase peak period ferry capacity by close to 80 percent, providing the equivalent of 19 BART trains or 474 transbay buses during the AM peak period. Ferry ridership would likely increase to more than 20,000 daily travelers, up from 9,000 today. The Investment Program also can be delivered relatively early, with the first phase of enhancements opening within two years of funding. The detailed breakdown of the Investment Program is included in Attachment A.

Regional Measure 3 Investment Principles

The following draft Principles were developed by staff using the WETA Strategic Plan and subsequent Board discussions as a guide. The Principles are intended to communicate to legislators and other stakeholders the policy basis for the accompanying Ferry Investment Program.

1. Enhance Existing Ferry Services

With current peak occupancies on WETA services ranging from 80% to above 95%, there is a clear need to increase service for today's commuters. Over the past four years, WETA ridership has increased 74% and while other transit properties are seeing a leveling off or decline in ridership, ferry ridership continues to increase. However, the service has reached practical capacity limits in places such as Vallejo and Harbor Bay. The draft principle emphasizing the existing system means that investment will be targeted to the core WETA services first.

2. Add Key Expansion Terminals

The Strategic Plan identifies possible expansion throughout San Francisco Bay with the long-term goal of serving the entire Bay with water transit. However, in the near term, specific expansion sites will help to enhance opportunities for today's commuters and build a foundation for future ferry service. Seaplane Lagoon, Mission Bay, Berkeley and Redwood City are the four terminals that are ready for implementation and will expand ferry service to new markets. Treasure Island is also an important new terminal and service that WETA supports working in conjunction with the San Francisco County Transportation Authority (lead agency).

3. Create Fiscal Stability

Regional Measure 2 provides the backbone funding for WETA and has enabled the dramatic growth of ferry service since 2008. However, the fact that operating funds do not escalate over time and there is no stable source for capital rehabilitation creates a structural flaw in the agency's long term financial health that threatens to erode service over time. Regional Measure 3 represents an opportunity to correct this flaw and provide the needed stability for ferry service to grow.

4. Pursue Implementation-Ready Projects

WETA is completing an investment program largely funded by Proposition 1B that enables the agency to continue meeting demand while positioning WETA to expand and enhance ferry service throughout San Francisco Bay. Given the timelines for developing transportation solutions for other modes, ferries can offer the Bay Area the opportunity for transit enhancement in a relatively expedient period. As a result, new vessels, targeted terminal expansion or enhancement and additional operating funds can increase transit capacity in impacted corridors within 3-5 years. Longer-term projects such as those in the Carquinez Strait are potential opportunities that will require advances in technology to be financially and environmentally viable.

5. Continue Partner Development

Work with local communities to explore options for developing new WETA services.

Regional Measure 3 Ferry Investment Program

The following summary table presents the areas of capital and operating investment required to achieve enhancement and expansion of WETA's ferry service through RM3. Total capital investment is \$600 million while annual operating subsidy would be \$41 million. All estimates are expressed in 2017 dollars.

Description	Investment
Annual Operating Subsidy Operating subsidy assuming 50% farebox recovery at full buildout. Assumes 15- and 30-minute frequencies on all services with new terminals in Berkeley, Redwood City, Seaplane Lagoon and Mission Bay.	\$30 m
Vessels Assumes 17 new vessels, required to enhance existing service and expansion. Assumes a 50% spare ratio.	\$275 m
Terminals Assumes enhancements to existing terminals in Alameda, Oakland and downtown San Francisco along with new facilities in Alameda, Berkeley, Mission Bay and Redwood City.	\$175 m
Regional Measure 2 Escalation Amount needed by 2035 to maintain value of Regional Measure 2 operating funds.	\$11 m
Capital Rehabilitation Amount needed to provide local matching funds for federal and state rehabilitation funding programs over 20 years.	\$150 m

(All values expressed in 2017 dollars)

Projects that will require technological advances (either in vessels or dredging methods) to be viable – specifically those in the Carquinez Strait and the South Bay – are not included for construction in the Investment Program. However, planning should continue for these projects and WETA has a role to play as cities and Congestion Management Agencies consider water transportation in these jurisdictions.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

ATTACHMENT A
WETA Regional Measure Three Investment Program

Maintain Existing Service Levels, Escalation of RM2 Operating Funds

	Existing Operating Subsidy	Increment Required for Escalation*	Total Subsidy Req'd in 2035*
Operating Expenses			
Alameda/Oakland	\$ 5	\$ 3	\$ 8
Vallejo	\$ 9	\$ 5	\$ 14
Harbor Bay	\$ 2	\$ 1	\$ 3
South San Francisco	\$ 2	\$ 2	\$ 4
Total	\$ 17	\$ 11	\$ 28

(*) Based on additional subsidy required to maintain present value of funds in 2035

Maintain Existing Capital Assets

	Existing Capital Rehab Need	Increment Required for Escalation*	Total Rehab Need in 2035*
Capital Expenses			
WETA System	\$ 150	84	\$ 234

(*) Based on additional subsidy required to maintain present value of funds in 2035

RM3 Enhancement & Expansion, New Terminals & Terminal Improvements

Terminals	Total Costs	Committed Funding	Needed Funding
<i>Capacity Enhanceent Existing Terminals</i>			
Alameda Main Street	\$ 18	\$ -	\$ 18
Oakland	\$ 18	\$ -	\$ 18
Seaplane Lagoon	\$ 18	\$ -	\$ 18
Downtown North Basin	\$ 30	\$ -	\$ 30
Mission Bay	\$ 46	\$ 7	\$ 39
<i>Enhancement Subtotal</i>	<i>\$ 130</i>	<i>\$ 7</i>	<i>\$ 123</i>
<i>Expansion</i>			
Berkeley	\$ 35	\$ -	\$ 35
Redwood City	\$ 30	\$ 15	\$ 15
<i>Expansion Subtotal</i>	<i>\$ 65</i>	<i>\$ 15</i>	<i>\$ 50</i>
Total	\$ 195	\$ 22	\$ 173

ATTACHMENT A
WETA Regional Measure Three Investment Program

RM3 Enhancement & Expansion, Operating Expenses

Operating Expenses	Service Levels		Total Annual Operating Budget	Operating Subsidy Required	Committed Funding	Needed Funding
	Current	Enhanced				
<i>Enhance Existing Services</i>						
Alameda/Oakland	30	15	\$ 20	\$ 10	\$ 5	\$ 5
Vallejo	40	15	\$ 34	\$ 17	\$ 9	\$ 9
Harbor Bay	60	30	\$ 6	\$ 3	\$ 2	\$ 2
South San Francisco	60	30	\$ 8	\$ 4	\$ 2	\$ 2
Richmond	60	30	\$ 8	\$ 4	\$ 1	\$ 3
<i>Enhancement Subtotal</i>			\$ 76	\$ 38	\$ 18	\$ 20
<i>Expansion</i>						
Berkeley		30	\$ 8	\$ 4	\$ -	\$ 4
Redwood City		30	\$ 12	\$ 6	\$ -	\$ 6
<i>Expansion Subtotal</i>			\$ 20	\$ 10	\$ -	\$ 10
Total			\$ 96	\$ 48	\$ 18	\$ 30

RM3 Enhancement & Expansion, New Vessels

Vessels	Current Fleet	Enhanced Fleet	New Vessels Required	Total Cost	Committed Funding	Needed Funding
<i>Enhance Existing Services</i>						
Alameda/Oakland	3	6	3	\$ 54	\$ 36	\$ 18
Vallejo	4.5	7	3	\$ 59	\$ -	\$ 59
Harbor Bay	2	3	1	\$ 18	\$ -	\$ 18
South San Francisco	2.5	3.5	1	\$ 18	\$ -	\$ 18
Richmond		3	3	\$ 71	\$ 47	\$ 24
<i>Enhancement Subtotal</i>	12	23	11	\$ 219	\$ 83	\$ 136
<i>Expansion</i>						
Berkeley		3	3	\$ 45	\$ -	\$ 45
Redwood City		4	4	\$ 94	\$ -	\$ 94
<i>Expansion Subtotal</i>		7	7	\$ 139	\$ -	\$ 139
Total	12	29	17	\$ 358	\$ 83	\$ 275

Item 8 - Attachment B

AMENDED IN SENATE MAY 26, 2017

AMENDED IN SENATE APRIL 18, 2017

AMENDED IN SENATE APRIL 5, 2017

AMENDED IN SENATE APRIL 3, 2017

SENATE BILL

No. 595

Introduced by Senator Beall

February 17, 2017

An act to add Section 30923 to the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 595, as amended, Beall. Metropolitan Transportation Commission: toll bridge revenues.

Existing law creates the Metropolitan Transportation Commission (MTC) as a regional agency in the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates the Bay Area Toll Authority (BATA) as a separate entity governed by the same governing board as the MTC and makes the BATA responsible for the programming, administration, and allocation of toll revenues from the state-owned toll bridges in the San Francisco Bay area. Existing law authorizes the BATA to increase the toll rates for certain purposes, including to meet its bond obligations, provide funding for certain costs associated with the bay area state-owned toll bridges, including for the seismic retrofit of those bridges, and provide funding to meet the requirements of certain voter-approved regional measures. Existing law provided for submission of 2 regional measures to the voters of 7 bay area counties in 1988 and

2004 relative to specified increases in bridge auto tolls on the bay area state-owned toll bridges, subject to approval by a majority of the voters.

The bill would require the City and County of San Francisco and the other 8 counties in the San Francisco Bay area to conduct a special election on a proposed unspecified increase in the amount of the toll rate charged on the state-owned toll bridges in that area to be used for unspecified projects and programs. By requiring this election, the bill would impose a state-mandated local program. *The bill would require the BATA to reimburse from toll revenues, as specified, the counties and the City and County of San Francisco for the cost of submitting the measure to the voters.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The San Francisco Bay area’s strong economy and growing
- 4 population are placing a tremendous burden on its aging
- 5 transportation infrastructure. Between 2010 and 2040, the
- 6 population is ~~forecast~~ *forecasted* to grow by 2.3 million, while the
- 7 number of jobs are projected to grow by 1.3 million.
- 8 (b) Traffic congestion on the region’s seven state-owned toll
- 9 bridges degrades the bay area’s quality of life, impairs its economy,
- 10 and shows no signs of abating. Between 2010 and 2015, combined
- 11 volumes on the region’s seven state-owned toll bridges grew by
- 12 11 percent, while volumes on just the Dumbarton Bridge, the
- 13 Richmond-San Rafael Bridge, and the San Mateo-Hayward Bridge
- 14 grew by 20 percent.
- 15 (c) In 2015, five of the region’s top 10 worst congested roadways
- 16 were in the South Bay (San Mateo or Santa Clara Counties).

1 (d) In the San Francisco-Oakland Bay Bridge corridor from
2 Hercules to San Francisco, weekday traffic speeds average less
3 than 35 mph from 5:35 a.m. until 7:50 p.m.

4 (e) Weekday congestion on the west approach to the San
5 Francisco-Oakland Bay Bridge in the eastbound direction typically
6 begins before 1 p.m. and continues until 9:30 p.m.

7 (f) Weekday northbound traffic congestion on State Highway
8 Route 101 from Novato to Petaluma begins by 3 p.m. and typically
9 lasts over three hours.

10 (g) Daily peak-hour traffic on State Highway Route 37 between
11 Marin and Solano Counties jumped over 40 percent from 2010 to
12 2015.

13 (h) The region's only rail link across San Francisco Bay, the
14 Bay Area Rapid Transit District (BART), is 44 years old and faces
15 multibillion-dollar capital funding shortfalls to accommodate
16 growing ridership and achieve a state of good repair. Meanwhile,
17 BART ridership is at record levels, exceeding 128 million in fiscal
18 year 2016, a 27-percent increase from fiscal year 2010.

19 (i) Annual ridership on ferries from Alameda, Oakland, and
20 Vallejo to San Francisco and South San Francisco more than
21 doubled between 2010 and 2016, from 1.1 million to 2.5 million.

22 (j) Ridership on the weekday transbay bus service provided by
23 the Alameda-Contra Costa Transit District rose 33 percent between
24 2012 and 2016.

25 (k) Truck traffic in and out of the Port of Oakland grew by 33
26 percent since 2000 and contributes to worsening congestion on
27 the region's bridges and roadways. An estimated 99 percent of the
28 containerized goods moving through northern California are loaded
29 or discharged at the port.

30 (l) The last time bay area voters had the opportunity to approve
31 new funding for improvements in the bridge corridors was in 2004,
32 when voters approved Regional Measure 2, a \$1 toll increase.

33 (m) To improve the quality of life and sustain the economy of
34 the San Francisco Bay area, it is the intent of the Legislature to
35 require the Metropolitan Transportation Commission to place on
36 the ballot a measure authorizing the voters to approve an
37 expenditure plan to improve mobility and enhance travel options
38 on the bridges and bridge corridors to be paid for by an increase
39 in the toll rate on the seven state-owned bridges within its
40 jurisdiction.

1 SEC. 2. Section 30923 is added to the Streets and Highways
2 Code, to read:

3 30923. (a) The toll rate for vehicles crossing the bridges
4 described in Section 30910 shall not be increased to the ____ rate
5 prior to the availability of the results of a special election to be
6 held in the City and County of San Francisco and the Counties of
7 Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara,
8 Solano, and Sonoma to determine whether the residents of those
9 counties and of the City and County of San Francisco approve the
10 toll increase.

11 (b) The revenue derived from the toll increase shall be used to
12 meet all funding obligations associated with ____ projects and
13 programs. To the extent additional toll funds are available from
14 the toll increase, the authority may use them for bridge
15 rehabilitation and for projects and programs aimed at reducing
16 congestion and improving travel options in the bridge corridors.

17 (c) Notwithstanding any provision of the Elections Code, the
18 Board of Supervisors of the City and County of San Francisco and
19 of each of the counties described in subdivision (a) shall call a
20 special election to be conducted in the City and County of San
21 Francisco and in each of the counties that shall be consolidated
22 with the November ____, general election.

23 (d) The ballot pamphlet for the special election shall include a
24 detailed description of the expenditure plan detailing the projects
25 to be funded.

26 (e) The county clerks shall report the results of the special
27 election to the authority. If a majority of all voters voting on the
28 question at the special election vote affirmatively, the authority
29 shall adopt the increased toll schedule to be effective ____.

30 (f) *The authority shall reimburse each county and city and*
31 *county participating in the election for the incremental cost of*
32 *submitting the measure to the voters. These costs shall be*
33 *reimbursed from revenues derived from the tolls if the measure is*
34 *approved by the voters, or, if the measure is not approved, from*
35 *any bridge toll revenues administered by the authority.*

36 SEC. 3. If the Commission on State Mandates determines that
37 this act contains costs mandated by the state, reimbursement to
38 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning and Development Manager
Lynne Yu, Finance and Grants Manager

SUBJECT: Discussion Regarding MTC's Proposal to Program Regional Measure 2 Operating Funds to New Regional Projects

Recommendation

Provide direction to staff on how to proceed in conversation with MTC on their proposal to add two new projects to the Regional Measure 2 operating program that could jeopardize funds originally intended for WETA ferry services.

Background

In March 2004, Bay Area voters approved Regional Measure 2 (RM2), a \$1 bridge toll increase on seven of the state-owned bridges in the Bay Area to be used to support a program of Bay Area transportation projects designed to relieve traffic congestion on the state-owned bridges. As a part of this program, up to 38 percent of RM2 toll revenues are made available annually to provide operating assistance to support 11 transportation operating projects. This program includes operating subsidy to support the launch of new WETA ferry services in the Bay Area and to support existing Alameda, Oakland and Vallejo services transitioned to WETA's operation at the direction of the State Legislature. In total, RM2 authorized \$18.3 million in operating subsidy to support WETA ferry services that, with pre-established inflationary increases, was to grow to \$20.34 million annually starting in 2016.

MTC has managed RM2 operating funds on a "use it or lose it" basis, limiting WETA's annual ask to what is estimated to be needed to cover costs net of fare revenues, and requiring unspent money to be returned to MTC at the end of each year to be used, at their discretion for other projects. As a result, WETA has yet to receive and be allowed to keep the full operating commitment to WETA ferries contained in RM2 in a given year. However, with the planned start of Richmond ferry service in 2018, and the upcoming delivery of new vessels and operating facilities, a full allocation of the RM2 operating commitment may be needed as early as 2018.

Discussion

On June 14, 2017, MTC's Programming and Allocations Committee held a public hearing on a proposal to permanently add two projects to the RM2 operating program including \$2 million annually for the Clipper transit smart card program and \$3 million annually for the Transbay Transit Center project (copy of MTC notice and staff report provided as Attachment A). Adding these projects to the program would increase the list of eligible operating projects, which were pre-defined in RM2 and capped out at \$48.276 million annually as originally planned in the Regional Measure 2: \$1 Toll Increase Expenditure Plan, by \$5 million per year to \$53.276 million.

The RM2 Operating program is statutorily capped at 38 percent of toll revenue generations annually. MTC projects that in fiscal year 2017-18, the RM2 toll revenue is expected to generate approximately \$130 million in funding, allowing up to \$49.4 million to be programmed to support the operating program. MTC staff's proposal states that the total annual funding requirement for the existing and proposed new RM2 operating projects is not expected to exceed the 38 percent limit of RM2 toll revenue generations that may be set aside for operating projects. While this may be true for FY 2017-18, this does not appear to take into full account the needs of all program sponsors and projects, such as WETA's, originally included in the RM2 operating program in the coming years. The staff memo further indicates that in the years when toll revenue generations fall below the threshold needed to fund all projects in the operating program to their full extent, they would apply a proportionate funding reduction to all projects in the program, potentially setting up a dynamic where original RM2 projects could suffer operating shortfalls as the direct result of adding new projects to the program.

WETA staff prepared and submitted a comment letter to MTC (provided as Attachment B) in response to MTC's proposal within their public comment period, which closed on June 28. This letter serves as a placeholder to express concern about the impact that MTC's proposal will have on WETA's ferry services. Staff looks forward to receiving Board input on this issue and discussing what additional steps we might take to preserve the original commitment in RM2 to support operation of WETA's regional ferry services.

Fiscal Impact

There is no fiscal impact associated with this item in FY 2017/18. However, MTC's proposal to add new projects to the Regional Measure 2 Operating program could result in reduced operating funds available to WETA in future years and impact WETA's ability to maintain and sustain services and system assets over time.

END

Item 9 - Attachment A

Metropolitan Transportation Commission Notice of Public Hearing

In March 2004, Bay Area voters approved Regional Measure 2 (RM2), a \$1 bridge toll increase on seven of the state-owned bridges in the Bay Area. In fiscal year 2017-18, the RM2 toll revenue is expected to generate approximately \$130 million in funding for specified capital and operating projects to reduce traffic congestion in the region. Pursuant to Section 30914(d) of the California Streets and Highways Code, up to 38 percent of RM2 toll revenues are to be made available annually for the purpose of providing operating assistance for transit services. The Metropolitan Transportation Commission (MTC) will hold a public hearing in advance of consideration of action to program available RM2 operating funding capacity to new projects.

Currently, RM2 operating projects in good standing with established and required performance standards are being funded at appropriate levels as prescribed by the RM2 legislation. The total annual funding requirement for the existing and proposed new RM2 operating projects will not exceed the 38 percent limit of RM2 toll revenue generations that may be set aside for operating projects. The proposed additions to the operating program total \$5 million annually and are for investments consistent with the intent of RM2.

At its regularly scheduled June 14, 2017 meeting, MTC's Programming and Allocations Committee will hold a public hearing on the proposed additions to the RM2 operating program described in MTC Resolution No. 3801, Revised, and summarized below:

Project No. 12, Clipper Operating Support

Proposed Total RM2 Funding: \$2.0 million, annually

Action: Add project to support ongoing operations of the Clipper transit smart-card program

Project No. 13, Transbay Transit Center Operating Support

Proposed Total RM2 Funding: \$3.0 million, annually

Action: Add project to provide near-term operations support for the Transbay Transit Center. Ongoing funding after fiscal year 2021-22 will be based on MTC staff evaluation of funding needs.

At the regularly scheduled July 12, 2017 Programming and Allocations Committee meeting, MTC staff will report on public comment received, and the committee will refer recommendations to the MTC Commission for final action. The MTC Commission will consider the proposed RM2 fund programming changes at the Commission's July 26, 2017 meeting.

Bay Area residents are invited to comment on the proposed funding and scope changes to RM2 identified above and further described in MTC Resolution 3801, Revised.

The proposed actions are severable from each other; if any project is removed during the course of the hearing process, the remaining projects shall stand.

A public hearing to receive public testimony on these proposed funding changes will be held during MTC's Programming and Allocations Committee meeting on:

Wednesday, June 14, 2017, at 9:40 a.m.

(or immediately following the Administration Committee meeting, whichever occurs later)

Bay Area Metro Center Board Room – First Floor
375 Beale Street, San Francisco, CA 94105

Written comments may be submitted to MTC's Public Information Office at 375 Beale Street, Suite 800, San Francisco, CA 94105; or sent via e-mail to info@mtc.ca.gov. Written comments must be received by MTC no later than 4:00 p.m. on June 28, 2017. Oral comments will be received at the public hearing on June 14, 2017. The comment period will close at 4:00 p.m. on June 28, 2017.

The proposed Resolution 3801 Revised, can be viewed on MTC's website at <http://www.mtc.ca.gov>, or you may request a copy from the MTC Public Information Office by e-mail to info@mtc.ca.gov, or by phone call to (415) 778-6757. Additionally, copies of the proposed resolution will be available for public review beginning on June 7, 2017 at MTC's offices at the Bay Area Metro Center, 7th Floor Receptionist, 375 Beale Street, San Francisco, California.

Do you need written materials in large type or in Braille to participate in MTC or BATA meetings? Do you need a sign language interpreter or other assistance? Is English your second language? Do you need one of our documents translated? Do you need an interpreter who speaks your language present at one of our meetings?

We can help! You can request assistance by calling (415) 778-6757. Visit <http://www.mtc.ca.gov> for more information. We require at least three days' notice to provide reasonable accommodation. We prefer more notice if possible. We will make every effort to arrange for assistance as soon as possible.

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Metropolitan Transportation Commission Programming and Allocations Committee

June 14, 2017

Agenda Item 3a

Regional Measure 2 Program Public Hearing

Subject: Conduct a public hearing to amend the Regional Measure 2 (RM2) Operating program to add \$5 million in annual operating assistance to two new projects: Clipper[®] and Transbay Transit Center operations.

Background: In March 2004, Bay Area voters approved Regional Measure 2 (RM2), a \$1 bridge toll increase on the seven state-owned bridges in the Bay Area. Pursuant to Section 30914(d) of the California Streets and Highways Code, up to 38 percent of RM2 toll revenues are to be made available annually for the purpose of providing operating assistance for transit services.

The current RM2 Operating program consists of 11 transportation projects intended to reduce congestion or make improvements to travel in the toll bridge corridors. The operating projects in good standing and meeting required RM2 performance standards are being funded at appropriate levels as prescribed by the RM2 legislation. For FY 2017-18, the total funding required by the program falls below the 38 percent limit allowed for operating assistance, leaving operating funding available for programming.

MTC is holding a public hearing in advance of consideration of action to program available RM2 operating funding capacity to two new projects that are consistent with the intent of the RM2 legislation. The proposed operating assistance for the two projects totals \$5 million, annually. Further discussion of the projects is below.

Project 12: Clipper[®] Operations

Staff proposes to program \$2 million annually to support ongoing operation of the Clipper[®] program. The Clipper[®] program was a current recipient of RM2 capital funding. As the region moves towards the implementation of the next generation of the Clipper[®] system, additional operating support is needed in light of projected expenses exceeding projected operating revenue from existing sources, in the near future.

Project 13: Transbay Transit Center

Staff proposes to program \$3 million annually to the Transbay Transit Center to support operations. This amount would be in addition to the long-standing and ongoing operating subsidy BATA provides of \$4.9 million (for FY2017-18), as reflected in item 2h on today's Committee consent calendar. Successful operation of the new center will be an important component in reducing congestion in the bridge corridors by facilitating transbay public transit. The terminal also received significant capital funding from RM2.

Forecasted costs to operate the new terminal, expected to open by early 2018, indicate funding shortfalls in the first four years of operation that

average approximately \$6.5 million per year. After that time, the retail spaces in the terminal are expected to be built out and fully utilized, generating additional lease revenue which can contribute to the center's operating budget. Before that, however, the Transbay Joint Powers Authority (TJPA) is asking that transit operators using the center provide additional funding to cover the shortfalls. The proposed RM2 operating support would directly offset some of the increased fees to cover the deficit to be paid by transit operators. In particular, the RM2 operating support would benefit AC Transit, which, as the largest tenant of the terminal, is being asked to cover 65 percent of the increased cost. Staff further proposes that after FY2021-22 the RM2 operating support be conditioned on MTC staff's evaluation of on-going support need. Should alternative operating revenue for the terminal come on line or costs reduce, MTC staff may recommend that this additional increment of RM2 operating support be reduced or eliminated.

The total annual funding requirement for the existing and proposed new RM2 operating projects are not expected to exceed the 38 percent limit of RM2 toll revenue generations that may be set aside for operating projects. In years when toll revenue generations have fallen below the threshold needed to fund all projects in the operating program to their full extent, MTC practice has been to apply a proportionate funding reduction to all projects in the program. Going forward, staff proposes that if the need arises to constrain the operating program to available revenue, the proportional approach be continued.

A public hearing will be conducted at today's meeting to take comments on the proposed amendment. The comment period opened on May 26, 2017 and will close on June 28, 2017. Any comments received will be provided at the Committee meeting. Staff will return to the Commission in July with a summary of comments received and with recommendations for approval of the proposed program revision. If the proposed revisions are approved, staff would also return to the Commission with appropriate revisions to the FY2017-18 RM2 Operating Program (MTC Resolution No. 4278) to allocate the funds to the two new projects.

Issues: None

Recommendation: Receive public input

Attachments: Attachment A – Public Hearing Notice, including Draft of MTC Resolution No. 3801, Revised

Item 9 - Attachment B



June 28, 2017

SENT VIA EMAIL

Nick Josefowitz, Chair
Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale Street, San Francisco, CA 94105

Re: MTC's Proposal to Add New Projects to the Limited RM2 Operating Program

Dear Chair Josefowitz and Commission Members:

Thank you for the opportunity to provide public comment on your proposal to permanently add two new projects to the RM2 Operating program originally authorized by the State Legislature and approved by the voters in 2004. The RM2 Operating program is of vital importance to the San Francisco Bay Area Water Emergency Transportation Authority (WETA), as it serves as the primary source of operating subsidy to support our regional public transit ferry services currently operating to the cities of Alameda, Oakland, San Francisco, South San Francisco and Vallejo and slated to extend to the City of Richmond in 2018. We oppose the proposed addition of new projects to the RM2 program without a concurrent commitment from MTC to first fund the full operating commitment originally included in RM2 for WETA's ferry services in the amount of \$20,324,700 annually.

WETA has worked diligently since the passage of Regional Measure 2 to plan construct and deliver a system of regional ferry services and core infrastructure projects to support our ability to deliver expanded regional ferry services to meet Bay Area transbay transit and emergency response transportation needs, as directed by the State Legislature. WETA infrastructure projects completed or currently under construction include new Maintenance and Operations facilities in Vallejo and Alameda, expanded ferry berthing capacity in downtown San Francisco and seven new fast ferries for use in existing and expanded service. We have approached development of this expanded ferry system infrastructure with caution, carefully balancing our development with the limited operating resources offered to our ferry system from local, regional and state resources.

WETA's ability to maintain and sustain operation of existing and planned services and assets relies upon receiving a full commitment of the \$20,324,700 operating funds (including inflationary provisions) included in the Regional Measure 2: \$1 Toll Increase Expenditure Plan - copy available on MTC's website at the following link: http://mtc.ca.gov/sites/default/files/RM_2_Operations_ProjectList.pdf. While we have not yet needed a full allocation of these funds in any given year, they may be needed as early as 2018 when new vessels are placed into service, our new facilities are online and we begin operation of new Richmond ferry service.

WETA cannot support the MTC proposal to add two new projects to the RM2 Operating program without a clear indication from MTC as to how the operating shortfall that this will create for us will be

addressed. We appreciate your time and effort in working with us to discuss the options for fully funding our program along with the other regional needs that your proposal intends to address.

The WETA Board of Directors will take up this matter at their July 6, 2017, meeting. I would appreciate a reply as to how we may expect to move forward in conversation with MTC on this matter in time for this meeting.

Sincerely,

A handwritten signature in black ink that reads "Nina Rannells". The signature is written in a cursive, flowing style.

Nina Rannells
Executive Director

Steve Heminger, MTC Executive Director
Alix Bockelman
WETA Board of Directors

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Lauren Gularte, Program Manager/Analyst

SUBJECT: Report on Disadvantaged Business Enterprise and Small Business
Enterprise Goal Achievement for FFY 2014 - 2016

Recommendation

This is an informational item. No action is required.

Background

In accordance with the U.S. Department of Transportation (DOT) Disadvantaged Business Enterprise (DBE) regulations, 49 CFR Part 26.21, WETA is required to have a DBE Program. The purpose of the DBE Program is to create a level playing field on which DBEs can compete fairly for DOT-assisted contracts by removing barriers to DBEs and their participation in the bidding, award and administration of federally-funded contracts. By definition, a DBE is a for-profit small business concern that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own the corporation.

DOT requires federal grant recipients to set overall DBE goals on a three-year basis for the participation of DBE firms. The grantee must meet their DBE goal each year of the triennial period or conduct corrective measures to start meeting the goal. As required by changes to the DBE regulations, in February 2012, WETA developed a Small Business Enterprise (SBE) program which is constructed in the same manner as the DBE program. The SBE program consists of setting an overall SBE goal, on the same schedule as the DBE goal, based upon an evaluation of SBE contracting opportunities for upcoming projects.

WETA closed the FFY 14-16 triennial period in December 2016. This report summarizes the final DBE and SBE goal achievement for this period.

Discussion

WETA's DBE triennial goal for FFY14-16 was 1.36%. This goal represented the number of ready, willing and able, DBE firms in WETA's market area that perform work in the specific North American Industrial Classification System (NAICS) codes included in the federally funded projects and associated contracts that WETA expected to release during FFY 14-16. The projects included in this three year period totaled \$42.9 million and consisted of the following types of projects:

Project Type	Federal \$	Federal \$ Projected for DBEs	% of Federal \$ to DBEs
Vessel and Float Rehabilitation	\$5,154,510	\$0	0.00%
Vessel Construction	\$30,433,500	\$27,390	0.09%
Vessel Construction Management	\$3,381,500	\$196,127	5.80%
Facility/Terminal Design and Construction	\$3,946,197	\$361,311	9.16%
Total	\$42,915,707	\$584,828	

Overall DBE Goal (=\$584,828/\$42,915,707): 1.36%

Attachment A provides a summary table detailing all of the 16 contracts included in the FFY 14-16 DBE goal.

Federal DBE regulations require recipients to meet their DBE goal for each year of the triennial period. While the goal is based on the expected schedule for the award of contracts, the amount of actual DBE participation depends on the type of contracts the agency is able to award during each year and whether any prime contracts are awarded to DBE or SBE firms. There are very few DBE firms in the trades associated with vessel construction and vessel refurbishment and in years dominated with contracts awarded for these types of projects, WETA has a hard time obtaining DBE participation. Typically WETA only obtains DBE participation on contracts that include landside work such as facility/terminal design and construction.

The following table summarizes WETA's DBE and SBE goals and goal achievement during FFY14-16. WETA achieved an average of 2.28% DBE participation and 5.8% SBE participation each year of the triennial period, and exceeded its DBE goal in FFY 14 and 16.

WETA DBE Achievement For FTA Reporting					WETA SBE Achievement				
	Federal \$ Awarded	Federal \$ to DBEs	DBE Goal	DBE % Actual		Federal \$ Awarded	Federal \$ to SBEs	SBE Goal	SBE % Actual
FFY 14	\$13,494,179	\$545,108	1.36%	4.04%	FFY 14	\$13,494,179	\$1,370,922	1.36%	10.16%
FFY 15	\$21,338,111	\$124,721	1.36%	0.58%	FFY 15	\$21,338,111	\$436,149	1.36%	2.04%
FFY 16	\$16,444,500	\$364,122	1.36%	2.21%	FFY 16	\$16,444,500	\$856,854	1.36%	5.21%
Total	\$51,276,790	\$1,033,951			Total	\$51,276,790	\$2,663,925		
Average DBE Achievement FFY14-16: 2.28%					Average SBE Achievement FFY14-16: 5.80%				

In FFY 14 WETA achieved 4.04% DBE participation as a result of awarding \$545,108 in federal funds to a DBE subcontractor for the North Bay Operations & Maintenance Facility waterside construction contract. In FFY16 WETA achieved 2.21% DBE participation as a result of awarding \$364,122 in federal funds to three DBE subcontractors for the Central Bay Operations & Maintenance Facility construction project. In FFY15 WETA only achieved 0.58% DBE participation due to the fact that \$16.8 million of the federal funds awarded that year were for vessel construction and refurbishment contracts that received 0% DBE participation. The only contract awarded in FFY15 that included DBE participation was for the Final Design contract for the Downtown San Francisco Ferry Terminal Expansion project which awarded \$124,721 in federal funds to two DBE subcontractors.

The amount of funds awarded to DBE and SBE firms on WETA's contracts is actually much more than what is reflected in the table above. The Federal Transit Administration (FTA) requires recipients to only report on the amount of federal funds awarded to DBE firms. Each of WETA's projects has a particular mix of funds. Some projects may have 80% federal funding while other projects have 20% federal funding. This has an effect on the amount of DBE participation reported to FTA. For example, since the Central Bay Operations and Maintenance Facility project is funded with 19% FTA dollars, when calculating WETA's DBE goal achievement, only 19% of the funds awarded to DBE firms can be counted. Additionally another factor downplaying the amount of DBE participation reported to FTA is that WETA can only include federally funded contracts in the calculation of WETA's DBE goal achievement reported to FTA.

The table below displays the amount of all funds (federal and non-federal sources) awarded to DBE and SBE firms, including the award of two non-federally funded prime contracts to a DBE firm totaling \$1,050,000 which could not be included in WETA's DBE goal achievement for FTA reporting. These two contracts were awarded to Ghirardelli Associates for on-call planning services and construction management services for the Richmond Ferry Terminal project.

Federal Funds vs Total Funds to DBEs and SBEs				
	Federal \$ to DBEs	Total \$ DBEs	Federal \$ to SBEs	Total \$ SBEs
FFY 14	\$545,108	\$681,385	\$1,370,922	\$1,713,653
FFY 15	\$124,721	\$155,901	\$436,149	\$701,087
FFY 16	\$364,122	\$2,966,430	\$856,854	\$5,502,497
Total	\$1,033,951	\$3,803,716	\$2,663,925	\$7,917,237
	Difference:	\$2,769,765	Difference:	\$5,253,312

The dollar amount of DBE participation in WETA's contracts is \$2.77 million greater than what is reported to FTA, and the amount of SBE participation in all of WETA's contracts is \$5.25 million greater than the federal share awarded to SBEs.

DBE and SBE Outreach:

WETA continues to outreach to DBE and SBE firms through active participation in educational and outreach events organized by the San Francisco Bay Area Regional Business Outreach Committee (BOC), a committee comprised of 23 Bay Area transit and transportation agencies. The BOC sponsors four educational workshops or networking events for interested firms each year and produces a quarterly newsletter with contracting opportunities, tips for successful bids and contact information for DBE Administrators at each agency. This newsletter is posted on WETA's website and distributed to WETA's business outreach email list of DBE and non-DBE firms.

WETA has historically lacked DBE participation in vessel construction and marine construction projects. While there are some DBEs in the state of Washington that have participated on our vessel construction contracts, DBE regulations require that DBE firms be certified in the state of California to count toward WETA's goal. In an effort to increase DBE participation in vessel construction and marine construction projects, WETA partnered with the Golden Gate Bridge Highway and Transportation District in February to outreach to marine construction firms in the Bay Area and to DBE firms specializing in vessel construction services in the State of Washington. The outreach consisted of an overview of

both agencies including a list of upcoming ferry contracting opportunities, information on how to be notified of each agency's contracting opportunities, and an overview on how to become a certified DBE in the state of California. WETA will continue to work with our partners in outreach to DBE and SBE firms and in particular to those firms specializing in vessel repair, refurbishment and construction.

Fiscal Impact

There is no fiscal impact associated with this item.

END

Item 10 – Attachment A

DBE availability by contract included in FFY14-16 Triennial Goal

Project Type	FTA Dollars	DBE Availability	FTA Dollars Projected for DBEs
Vessel and Float Rehabilitation			
Engine Overhaul - M/V Solano	\$841,600	0.00%	\$0
Midlife Overhaul - M/V Peralta	\$2,000,000	0.00%	\$0
Engine Overhaul - M/V Scorpio	\$467,972	0.00%	\$0
Engine Overhaul Projects - M/V Encinal, Gemini, Pisces & Taurus	\$1,559,338	0.00%	\$0
Main Street Float Dry Dock & Repair	\$285,600	0.00%	\$0
<i>Subtotal</i>	<i>\$5,154,510</i>		<i>\$0</i>
Vessel Construction			
Vessel Construction - M/V Encinal Replacement	\$13,320,000	0.09%	\$11,988
Vessel Construction - Richmond Ferry Service	\$2,250,000	0.09%	\$2,025
Vessel Construction - M/V Vallejo Replacement	\$12,240,000	0.09%	\$11,016
Vessel Construction - Berkeley Ferry Service	\$2,623,500	0.09%	\$2,361
<i>Subtotal</i>	<i>\$30,433,500</i>		<i>\$27,390</i>
Vessel Construction Management			
Vessel Construction Mgmt - M/V Encinal Replacement	\$1,480,000	5.80%	\$85,840
Vessel Construction Mgmt - Richmond Ferry Service	\$250,000	5.80%	\$14,500
Vessel Construction Mgmt - M/V Vallejo Replacement	\$1,360,000	5.80%	\$78,880
Vessel Construction Mgmt - Berkeley Ferry Service	\$291,500	5.80%	\$16,907
<i>Subtotal</i>	<i>\$3,381,500</i>		<i>\$196,127</i>
Facility/Terminal Design and Construction			
Vallejo Maintenance Dredging	\$998,784	13.70%	\$136,833
San Francisco Downtown Berthing Phase A - Final Design	\$719,925	5.50%	\$39,596
Central Bay Operations & Maint. Facility - Construction	\$2,227,488	8.30%	\$184,882
<i>Subtotal</i>	<i>\$3,946,197</i>		<i>\$361,311</i>
TOTAL	\$42,915,707		\$584,828

Overall DBE Goal (FTA \$ to DBEs/Total FTA \$)	1.36%
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