

Members of the Board

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

BOARD OF DIRECTORS' MEETING

Thursday, March 2, 2017 at 1:15 p.m.

**San Francisco Bay Area
Water Emergency Transportation Authority
Port of San Francisco
Pier 1; San Francisco**

NOTE: TIME CHANGE

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 – February 16, 2017
 - b. Authorize Submission of an Allocation Request to the California Department of Transportation for FY 2016/17 Low Carbon Transit Operations Program Grant Funds
7. APPROVE AMENDMENT TO AGREEMENT WITH NOSSAMAN LLP FOR THE PROVISION OF LEGAL SERVICES IN FY 2016/17 *Action*
8. INFORMATIONAL REPORT ON UPCOMING CHANGES TO WETA'S ACCOUNTING AND FINANCE FUNCTIONS *Information/Action*
9. CLOSED SESSION *Action*

In the event of any urgent matter requiring immediate action which has come to the attention of WETA after the agenda has been issued and which is an item appropriately addressed in Closed Session, WETA may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5). *To Be Determined*

If WETA enters into Closed Session under such circumstances, WETA will determine whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1).

Water Emergency Transportation Authority
March 2, 2017 Meeting of the Board of Directors

10. REPORT OF ACTIVITY IN CLOSED SESSION

Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session.

**Action
To Be Determined**

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.

AGENDA ITEM 1
CALL TO ORDER

AGENDA ITEM 2
ROLL CALL

AGENDA ITEM 3
REPORT OF BOARD CHAIR

AGENDA ITEM 4
REPORTS OF DIRECTORS

NO MATERIALS

MEMORANDUM

TO: WETA Board Members

FROM: Nina Rannells, Executive Director

DATE: March 2, 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 early September 2015.

Vessel 1 MV *Hydrus* –Commissioning and seatrials were conducted mid-January 2017. The vessel met WETA speed, noise and vibration requirements. Hydrus arrived in San Francisco on February 14 . Crew training is underway, final punch list items and local USCG inspections will be completed prior to placing vessel in service in April.

Vessel 2 MV *Cetus* - Fabrication of the hull and cabin structures are well underway. Launch of hulls occurred on February 16. The vessel is now at the Whidbey Island shipyard with the cabin being prepared for the hulls. Delivery of this vessel is anticipated in late May 2017.

Vessel Replacement/New Construction - North Bay Vallejo and Richmond

This project will construct three new high-speed vessels including 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. A project kick-off meeting was held on October 7. Project design, engineering work and materials ordering is progressing on schedule. The keels are projected to be laid on April 3. 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 Kvichak 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.

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 re-upholster 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 which is scheduled for completion in April 2017.

MV Mare Island Propulsion Train Subcomponent Replacement Project

This project provides for replacement of the major propulsion train subcomponents of the MV *MARE ISLAND*. On November 10, 2016 the Board of Directors approved a contract award to Marine Group Boat Works. A Notice to Proceed has been issued and a project Kick-Off meeting was held on November 21, 2016. On the trip to San Diego the vessel hit a wave that broke a window and caused water damage to main deck carpeting and some equipment. Marine Group has accepted responsibility and is making all required repairs. Work on the project is on schedule for completion in March 2017.

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 shifting focus to 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. Last month, the contractor completed the construction of the new seawall and was issued a Notice to Proceed with landside construction. This project is scheduled for completion in Spring 2018.

Downtown San Francisco Ferry Terminal Expansion Project

This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new and existing ferry services to San Francisco. The project also includes landside improvements needed to accommodate expected increases in ridership and to support emergency response capabilities.

On January 12, the WETA Board of Directors awarded a Construction Manager at Risk contract to Power Engineering Construction for Phase One work on this project. A Notice to Proceed has been issued for Pre-Construction Services which includes coordination with WETA during the completion of Final Design and various site investigations. A Notice to Proceed was also issued for the Early Construction Work which includes marine demolition, dredging, and pile driving. On-site construction activities are scheduled to begin May 1, 2017 and be complete in late 2019. Staff is continuing its negotiation of long-term Lease and License Agreements for the project with the Port of San Francisco consistent with the Project Memorandum of Understanding (MOU) approved in 2015 and Lease Disposition and Development Agreement approved in 2016.

SERVICE DEVELOPMENT UPDATE

Richmond Ferry Service

This service will provide an alternative transportation link between Richmond and downtown San Francisco. The conceptual design includes plans for replacement of an existing facility (float and gangway) and a phased parking plan. The WETA Board adopted a Funding Agreement and MOU with the Contra Costa Transportation Authority at its March 2015 meeting that funds the operation for a minimum period of 10 years. A contract was awarded to Ghirardelli Associates in September 2016 to provide construction management services. Staff anticipates beginning waterside construction activities in summer 2017.

All resource agency permits have been approved with the exception of an administrative BCDC permit which WETA staff has diligently been working toward through an early consultative process with BCDC staff since 2011. 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 and approved a project labor agreement with the Contra Costa Building Trades Council, and authorized staff to release an RFP for terminal construction. The RFP was released on February 17th and a pre-proposal meeting was held on February 23rd in Richmond.

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 2022 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 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 Terminal

The Port of San Francisco released an engineering feasibility and site selection study for a future Mission Bay ferry terminal 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 has begun 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.

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 had 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 will be considering a residential permit program for the Harbor Bay Ferry Terminal area in March 2017. City of Alameda staff has coordinated with the Harbor Bay Master Homeowner's Association to develop a strategy for addressing overflow parking in the vicinity of the Harbor Bay Terminal. The strategy proposes to institute a residential parking permit program, thereby eliminating overflow parking on the surrounding arterial and residential streets. In addition, the Homeowner's Association requests that WETA consider a parking fee at the lot and that potential revenue from parking fees help fund a free shuttle program for Harbor Bay residents. 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 and it will be used to guide the development of a specific paid parking program for the Harbor Bay Terminal site.

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.

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.

OTHER BUSINESS

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. In anticipation of the new measure, regional and county-level agencies such as MTC and Congestion Management Agencies (CMAs) have begun discussions over priorities for programs and projects.

To date, MTC held a workshop for its Commission in December 2016 and is about to begin a series of staff-level discussions. 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. Contra Costa, Solano and San

Mateo counties will likely be developing priorities and conducting discussions with staff and elected officials over the coming year.

Staff is utilizing WETA's Strategic Plan, adopted in October 2016, as the basis for WETA's request for Regional Measure 3 funds. The Strategic Plan calls for a \$1.15 billion investment in the ferry network of the future. At this time, WETA has secured informal commitments for almost \$300 million in capital funding, making the unmet capital need roughly \$850 million. Sixty percent of the capital need is for vessels with the remaining balance for terminals.

At full buildout, the new WETA system will offer 15-minute or 30-minute peak service frequencies and 44 vessels serving 16 terminals throughout San Francisco Bay. The operating budget would grow from roughly \$33 million today to approximately \$144 million. Assuming WETA's strong fare box recovery and continued operational funding from Regional Measure 2, a new operating subsidy of \$49 million would be required to deliver a system that would carry five times the number of riders WETA carries today.

Renewable Diesel Initiative

The Port of San Francisco has approached Bay Area ferry operators to request that we switch to utilizing renewable diesel for the operation of our 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 this request is technically and financially feasible and will bring more information forward to the Board when we complete our analysis and consultation with our engine manufacturer.

FTA Drug and Alcohol Program Compliance Audit

WETA was randomly selected for a Federal Transit Administration (FTA) drug and alcohol compliance audit that took place on Thursday, February 16 and Friday, February 17. The audit included an in-depth analysis of FTA's mandated testing programs including examining Blue & Gold Fleet's Drug and Alcohol Policy, pre-employment, random and post-accident testing procedures as well as interviewing Blue & Gold Fleet's test collector and substance abuse professionals. While the review went very well, some areas for improvement were identified. WETA and Blue & Gold Fleet staff will be addressing these issues within the next couple months consistent with FTA's requirements.

CPUC Organizational Changes

Staff is monitoring CPUC reorganization efforts as they relate to transferring transportation related responsibilities to the California State Transportation Agency (CalSTA). Staff will work with Directors Breckenridge and Wunderman to engage in consultative discussions with state officials as plans are developed by the State to help ensure that planning for a ferry regulatory oversight transition is done in a manner that supports WETA's legislative authority and ability to provide safe and effective public transit service.

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 several action items to bolster the WETA emergency response program, including several items to refine its communication systems:

- Staff has been working with Navigating Preparedness to identify the most appropriate network for WETA's P25 radios. Currently WETA subscribes to San Francisco's City-

wide Emergency Radio System (SFCERS) for the agency's P25 radio system, which provides decent coverage but lacks the ability to reach all of WETA's facilities and locations where key WETA and Blue & Gold Fleet employees live. Navigating Preparedness completed an analysis and determined that the East Bay Regional Communication System (EBRCS) provides better coverage for WETA's requirements. WETA has contacted EBRCS and will be receiving test radios in the next couple weeks to ensure the EBRCS system will work.

- Navigating Preparedness is also working on several other items related to WETA's communication equipment including creating a communications user manual, programming WETA's P25 radios with frequencies for relevant emergency management agencies, and determining the best communication equipment for Blue & Gold's emergency communication and staff recall process.

Coast Guard Manning Requirements

In response to a 2015 USCG initiative, staff worked closely with the USCG Inspections unit (San Francisco Sector) in 2015 to review and verify the current manning levels required on WETA's fleet of vessels. As a result of this work, the WETA vessels' current manning levels remain in place; this is noted in the vessel files and on each vessel Certificate of Inspection.

Hazard Mitigation Plan

WETA is preparing a new Hazard Mitigation Plan (HMP) in accordance with the Federal Disaster Mitigation Act of 2000 (DMA 2000), which requires local governments to develop and submit HMPs as a condition of receiving Hazard Mitigation Grant Program and other mitigation project grant funding. This includes pre-disaster mitigation funding and post-disaster mitigation funding for existing WETA facilities. The essential steps of hazard mitigation are to identify and profile hazards that affect the local area surrounding existing facilities, analyze the people and facilities at risk from those hazards, and develop mitigation actions to lessen or reduce the impact of the profiled hazards. WETA staff is working with a consultant to prepare the HMP. The process includes coordination with stakeholder agencies with jurisdictions that might interface with WETA during a disaster response. The process also includes opportunity for public comment. The HMP was sent to the Governor's Office of Emergency Services (Cal OES) and the Federal Emergency Management Agency (FEMA) for review and approval in October 2016. Comments on the Draft HMP were received from Cal OES in December. Cal OES completed its review of the HMP in January. The HMP was forwarded to FEMA for their review. After the FEMA approval is received, the HMP will be presented to the WETA Board for adoption.

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On February 1, Michael Gougherty attended a workshop hosted by MTC to discuss the Transbay/Core Capacity Study with an invited group of stakeholders in San Francisco.

On February 7, Kevin Connolly attended a workshop hosted by MTC to discuss the Transbay/Core Capacity Study with an invited group of stakeholders in Oakland.

On February 13, Nina Rannells and Kevin Connolly attended a workshop at MTC and presented WETA's Strategic Plan program of projects for consideration for inclusion in a future bridge toll measure (Regional Measure 3).

On February 13, Nina Rannells and Kevin Connolly attended the Alameda County Transportation Commission's Transportation Committee meeting and provided an update on WETA's system and Strategic Plan projects.

On February 14, Lauren Gularte attended the City and County of San Francisco's Earthquake Annex Seminar & Workshop.

On February 16 and 17, Keith Stahnke, Lauren Gularte, and Blue & Gold Fleet staff participated in the FTA Drug & Alcohol audit.

On February 24, the WETA Planning Department hosted a breakfast open house for the Young Transportation Planners Association of the Bay Area.

On February 27, Nina Rannells attended the Clipper 2 Executive Committee meeting in Oakland.

OPERATIONS REPORT

Storm Impacts on Service

Trip cancellations have been higher than normal in recent weeks due to severe storm conditions and excessive debris in the San Francisco Bay waters. Each WETA ferry route is impacted differently by storms based upon their geographic location, operating environment, landing facilities, exposure and vessel size and type. Storm winds out of the south affect trips more than normal west winds. Currents enhanced by storm runoff when opposing the wind can create very large waves. The terminals at Harbor Bay and South San Francisco are more exposed to south winds, which affect the ability to dock and board passengers safely during storm conditions. Most North Bay vessels are larger and tend to be more stable in rough water resulting in fewer cancellations compared to smaller boats on Central Bay routes. In addition, extreme high tides and rivers at flood stage have deposited large amounts of debris into the San Francisco Bay resulting in increased mechanical incidents and vessel outages due to bent propellers or interference with water jet systems. WETA and Blue & Gold Fleet staffs are working diligently to address storm related issues as they arise and to monitor weather forecasts in efforts to proactively notify passengers when a storm may impact their daily services.

2017 Ballpark Service

WETA and Blue & Gold staff are gearing up to begin providing ferry services to AT&T Park to support the Giants' 2017 season home game schedule. Staff has prepared a 2017 season service cost projection and determined that the current Special Event Fare should be sufficient to cover the incremental cost of these services consistent with WETA's special event fare policy objective. We look forward to serving baseball fans for what we hope to be another great Giants season.

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

END

Attachment A

Monthly Operating Statistics Report January 2017

			Alameda/ Oakland	Harbor Bay	South San Francisco *	Vallejo*	Systemwide
Boardings	<i>vs. last month</i>	Total Passengers January 2017	67,972	25,170	9,796	63,669	166,607
		Total Passengers December 2016	73,221	22,084	8,743	69,887	173,935
		Percent change	-7.17%	13.97%	12.04%	-8.90%	-4.21%
	<i>vs. same month last year</i>	Total Passengers January 2017	67,972	25,170	9,796	63,669	166,607
		Total Passengers January 2016	66,587	24,594	9,652	62,163	162,996
		Percent change	2.08%	2.34%	1.49%	2.42%	2.22%
	<i>vs. prior FY to date</i>	Total Passengers Current FY To Date	698,582	180,876	75,262	579,195	1,533,915
		Total Passengers Last FY To Date	669,916	174,093	69,519	552,213	1,465,741
		Percent change	4.28%	3.90%	8.26%	4.89%	4.65%
			Avg Weekday Ridership January 2017	2,628	1,144	445	2,684
Ops Stats		Passengers Per Hour	120	188	60	99	111
		Revenue Hours	568	134	162	640	1,504
		Revenue Miles	6,530	3,010	2,537	16,608	28,685
Fuel		Fuel Used (gallons)	46,404	14,014	16,149	114,194	190,761
		Avg Cost per gallon	\$1.99	\$1.99	\$1.99	\$2.07	\$2.02

* Includes backup bus boardings. January bus ridership totaled 189 for South San Francisco and 3236 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 Seven Months
Ending January 31, 2017**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2016/17 Financial Statements for seven months ending January 31, 2017

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenue	9,759,587	10,713,715	10,718,427
Local Bridge Toll Revenue	6,863,143	11,526,356	7,857,111
Other Revenue	141,627	233,025	1,050
Total Operating Revenues	16,764,357	22,473,096	18,576,588
Expenses - Year To Date:			
Planning & Administration	1,501,747	1,767,123	1,136,158
Ferry Services	15,262,610	20,705,973	17,440,430
Total Operatings Expenses	16,764,357	22,473,096	18,576,588
System-Wide Farebox Recovery %	64%	52%	61%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2016/17 Budget
Revenues:		
Federal Funds	13,725,405	38.62%
State Funds	18,155,010	35.64%
Bridge Toll Revenues	6,596,348	23.57%
Other Local Funds	1,194,329	46.13%
Total Capital Revenues	39,671,092	33.89%
Expenses:		
Total Capital Expenses	39,671,092	33.89%

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 Seven Months Ending 1/31/2017

% of Year Elapsed of Year Elapsed 59%

	Current Month	Year - To - Date			% of Year FY 2016/17 Total	% of Total Budget
		FY2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Actual		
OPERATING EXPENSES						
<u>PLANNING & GENERAL ADMIN:</u>						
Wages and Fringe Benefits	\$116,736	\$759,335	\$836,438	\$581,604	1,420,000	41.0%
Services	93,266	721,369	1,003,432	611,572	1,703,500	35.9%
Materials and Supplies	6,436	7,424	38,877	14,990	66,000	22.7%
Utilities	2,608	11,450	15,904	11,066	27,000	41.0%
Insurance	-	-	16,493	1,178	28,000	4.2%
Miscellaneous	15,383	46,400	134,890	134,673	229,000	58.8%
Leases and Rentals	30,532	170,315	190,260	192,705	323,000	59.7%
Admin Overhead Expense Transfer	(80,075)	(214,546)	(469,171)	(411,630)	(796,500)	51.7%
Sub-Total Planning & Gen Admin	\$184,886	\$1,501,747	\$1,767,123	\$1,136,158	3,000,000	37.9%
<u>FERRY OPERATIONS:</u>						
<u>Harbor Bay FerryService</u>						
Purchased Transportation	\$113,548	\$916,699	\$1,093,790	\$866,392	1,856,900	46.7%
Fuel - Diesel & Urea	28,967	164,456	266,305	162,385	452,100	35.9%
Other Direct Operating Expenses	34,204	210,360	331,866	219,130	563,400	38.9%
Admin Overhead Expense Transfer	10,221	38,090	60,671	52,451	103,000	50.9%
Sub-Total Harbor Bay	\$186,940	\$1,329,605	\$1,752,633	\$1,300,357	2,975,400	43.7%
Farebox Recovery	62%	60%	50%	66%	50%	
<u>Alameda/Oakland Ferry Service</u>						
Purchased Transportation	\$544,294	\$3,323,648	\$4,213,293	\$4,301,316	7,152,800	60.1%
Fuel - Diesel & Urea	95,917	553,537	1,186,270	634,187	2,013,900	31.5%
Other Direct Operating Expenses	101,263	438,397	899,878	618,240	1,527,700	40.5%
Admin Overhead Expense Transfer	33,592	97,004	199,096	171,504	338,000	50.7%
Sub-Total Alameda/Oakland	\$775,066	\$4,412,587	\$6,498,537	\$5,725,247	11,032,400	51.9%
Farebox Recovery	45%	67%	52%	62%	52%	
<u>Vallejo FerryService</u>						
Purchased Transportation	\$890,113	\$5,566,210	\$6,108,297	\$5,867,744	10,369,900	56.6%
Fuel - Diesel & Urea	227,231	1,696,390	3,011,826	2,124,280	5,113,100	41.5%
Other Direct Operating Expenses	118,773	562,376	915,488	714,061	1,554,200	45.9%
Admin Overhead Expense Transfer	30,534	34,883	176,418	158,118	299,500	52.8%
Sub-Total Vallejo	\$1,266,652	\$7,859,859	\$10,212,029	\$8,864,203	17,336,700	51.1%
Farebox Recovery	49%	70%	59%	65%	59%	
<u>South San Francisco FerryService</u>						
Purchased Transportation	\$149,271	\$1,209,275	\$1,553,301	\$1,091,652	2,637,000	41.4%
Fuel - Diesel & Urea	33,381	208,857	339,464	215,618	576,300	37.4%
Other Direct Operating Expenses	27,591	197,857	317,022	213,795	538,200	39.7%
Admin Overhead Expense Transfer	5,728	44,570	32,986	29,557	56,000	52.8%
Sub-Total South San Francisco	\$215,971	\$1,660,560	\$2,242,774	\$1,550,622	3,807,500	40.7%
Farebox Recovery	32%	28%	23%	36%	23%	
Total Operating Expenses	\$2,629,516	\$16,764,357	\$22,473,096	\$18,576,588	38,152,000	48.7%
OPERATING REVENUES						
Fare Revenue	\$1,149,878	\$9,759,587	\$10,713,715	\$10,718,427	18,188,400	58.9%
Local - Bridge Toll	1,479,638	6,863,143	11,526,356	7,857,111	19,568,000	40.2%
Local - Alameda Tax & Assessment	-	-	233,025	-	395,600	0%
Local - Other Revenue	-	141,627	-	1,050	-	0%
Total Operating Revenues	\$2,629,516	\$16,764,357	\$22,473,096	\$18,576,588	38,152,000	48.7%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2016/17 Statement of Revenues and Expenses
For Seven Months Ending 1/31/2017

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	\$172,048	\$31,082,000	\$28,592,897	\$2,489,103	\$1,064,060	\$0	95%
Central Bay Operations & Maintenance Facility	1,841,093	69,500,000	4,425,134	32,962,866	15,547,644	32,112,000	29%
Terminal Improvement							
Electronic Bicycle Lockers	-	79,500	46,661	32,839	-	-	59%
Terminal Access Improvement	-	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	23,882	-	6%
Major Component Rehabilitation - Solano	1,438	430,000	-	430,000	8,503	-	2%
Vessel Engine Overhaul - Bay Breeze	-	650,000	-	650,000	-	-	0%
Vessel Engine Overhaul - Scorpio	-	625,000	-	625,000	87,630	-	14%
Major Component & Waterjets Rehab - Mare Island	493,672	3,600,000	-	3,600,000	1,609,360	-	45%
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	326,167	4,100,000	-	4,100,000	1,546,085	-	38%
Vessel Qtr-Life Refurbishment - Taurus	-	2,400,000	-	2,400,000	2,750	-	0%
Vessel Expansion/Replacement							
Purchase Replacement Vessel - Express II & Encinal	44,204	33,951,000	19,724,430	14,226,570	4,660,160	-	72%
Purchase Replacement Vessel - Vallejo	4,377	23,372,000	56,940	8,447,060	3,354,699	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	197	400,000	-	300,000	1,186	100,000	0%
SERVICE EXPANSION:							
Terminal/Berthing Expansion Construction							
Downtown Ferry Terminal Expansion - South Basin	31,038	79,580,000	5,569,989	8,279,011	2,888,178	65,731,000	11%
Richmond Ferry Terminal	58,133	18,000,000	1,383,228	4,403,772	751,081	12,213,000	12%
Expansion Ferry Vessels							
Richmond Ferry Vessels - 2 each	8,753	46,745,000	105,789	16,897,211	6,699,504	29,742,000	15%
Two New 400-Passenger Vessels	-	33,400,000	-	14,000,000	23,492	19,400,000	0%
Total Capital Expenses	\$2,981,119	\$353,318,500	\$62,087,050	117,065,450	\$39,671,092	\$174,166,000	
CAPITAL REVENUES							
Federal Funds	\$670,410	\$67,154,384	\$13,093,526	\$35,539,068	\$13,725,405	\$18,521,790	40%
State Funds	2,115,996	221,811,825	37,429,974	50,946,164	18,155,010	133,435,687	25%
Local - Bridge Toll	124,305	58,233,891	8,584,455	27,990,913	6,596,348	21,658,523	26%
Local - Alameda Sales Tax Measure B / BB	5,525	4,950,000	2,949,095	2,000,905	1,128,458	-	82%
Local - Alameda TIF / LLAD	64,882	18,400	-	18,400	65,871	-	358%
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	\$2,981,119	\$353,318,500	\$62,087,050	\$117,065,450	\$39,671,092	\$174,166,000	

AGENDA ITEM 5c
MEETING: March 2, 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 – February 22, 2017

Why are Advocates of Increased Transportation Infrastructure Funding Paying Close Attention to Corporate Tax Legislation?

While public attention is on various "hot button" issues (immigration, tax reform, sanctuary cities, Affordable Care Act revisions), House and Senate Committees quietly toil on matters within their jurisdiction, including transportation/infrastructure. However, even those Committees, and those seeking those infrastructure dollars, know that their fate could be determined by another issue consuming Congressional leadership – corporate tax reform.

Why should WETA leadership be aware of tax policy debates? Because the revised corporate tax policy may be the key to generating the funding stream to support infrastructure generally and transportation and transit more specifically.

Decidedly not sexy, but extremely technical, complex and controversial, Congress passes major tax reform about once every 25 years, sometimes the task requires 2 or 3 years of intensive work. This may be one of those times; writing a new tax regime is now taking much of Congress's energy, and will determine the fate of many other programs.

There has been consensus for quite some time on Capitol Hill and elsewhere that the current US corporate tax rate of 35% is too high -- the highest corporate tax rate among developed countries. It has induced Google and Apple to become Irish companies, Burger King to become Canadian, etc. General consensus is that it should be around 20%. But reducing the corporate tax rate from 35% to 20% obviously creates a huge reduction in federal revenues, which in turn exacerbates the lack of revenue to pay for federal programs (including infrastructure).

This year, adding complexity and controversy to an already complex effort, leadership of the House tax-writing committee is attempting to support the President's "make it in America" agenda. They are proposing a corporate tax scheme which would increase taxes on corporate profits derived from imports, while reducing the tax rate on profits derived from exports. While supported by US manufacturers, it is generating massive opposition from retailers (since most consumer products are imported), and from many in Congress, both Republicans and Democrats. It may be headed for the trash bin; back to square one.

But the effort to reduce the corporate tax rate will continue, and so will the search to find a way to make the new tax regime "revenue neutral". A very difficult task, but imperative if federal programs will not have to be cut, and if additional funding to grow infrastructure, transportation and transit is to be possible.

Meanwhile, Back to Our WETA Ferry Funding Focus

Our prior Reports to the Board describe our ongoing work to build a Congressional caucus for passenger ferry funding, at the ready to weigh in, behind the scenes during the drafting of the Transportation bill and appropriations, and during Floor debate if necessary. Both the FHWA program and the Federal Transit Administration (FTA) discretionary grant program should be increased. So far the FTA program has generated \$7 million for WETA; our objective is to increase the total FTA pot of money, to pave the way for additional and larger grants for WETA in the future. Our coalition of public ferries is growing and will be increasingly effective.

Respectfully Submitted,
Peter Friedmann and Ray Bucheger

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

(February 16, 2017)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the Craneway Skyway & Conference Center, 1414 Harbour Way South, Marina District at Ford Point in Richmond, CA.

Chair Jody Breckenridge introduced Mayor of Richmond Tom Butt and invited him to give opening remarks. Mayor Butt thanked and welcomed the Directors and staff to Richmond. He stated that the Richmond Ferry Terminal Project was important to the City of Richmond and that the City was going to do its part to build ridership and identified several City projects that were to contribute toward the success of the service.

Mayor Butt recognized meeting attendees Richmond City Manager Bill Lindsay, Councilmember Eduardo Martinez and City of Richmond staff.

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge thanked Mayor Butt and subsequently called the meeting to order at 4:35 p.m.

2. ROLL CALL

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

Chair Breckenridge made a change in the meeting order and invited Assemblymember Jim Frazier to speak. Assemblymember Frazier stated that the priority in the state legislature was transportation funding. Following a summit briefing along with his meeting with the Governor, he said that progress was being made since he began pushing the funding bill two years ago. He noted that the Governor wanted the bill signed by April 6 before spring break and that it would take a bipartisan vote.

Assemblymember Frazier has been working on Regional Measure 3 (RM3) for the past two years and is Chairman of the Select Committee for improving Bay Area transportation systems. He expects the Metropolitan Transportation Commission (MTC) to work with all the counties to receive their support and demonstrate need but will not allow an expenditure plan in RM3. He asked that WETA reinvest in California companies in purchasing goods and services. He said that service would grow as a result of ridership expanding into Berkeley, Hercules, Redwood City and most importantly, to Antioch.

Assemblymember Frazier voiced his appreciation, admiration and support. Chair Breckenridge thanked him for making a special trip to the meeting and the open door with his staff.

3. REPORT OF BOARD CHAIR

Chair Breckenridge said that she had just returned from a gathering in Sacramento called California Maritime Leadership Symposium and had an opportunity to speak about WETA in its dual role as a transportation system and its emergency response role. She had met Councilmember Martinez at the gathering and thanked him for attending tonight's meeting. She noted that the primary focus was freight

and the handling of freight by equipment and vehicles but that there was significant discussion on green technology and the great support for electric vessel technology.

4. REPORTS OF DIRECTORS

Vice Chair Wunderman expressed his appreciation to the City of Richmond for their support and his excitement about the Richmond service. He informed the group that the Bay Area Council had recently conducted a poll and that transportation is clearly on the minds of the public. He reinforced the importance of RM3 and had met with Assemblymember Frazier and the Chairman of the Senate Transportation Committee Jim Beall yesterday.

Vice Chair Wunderman stated that it was important for WETA to be aggressive and well prepared to defend its requests outlined in the Strategic Plan. He said that his view is that WETA should be a leader and move toward cleaner vessels and that his vote for future boats would be operating on batteries.

Director DelBono thanked the City of Richmond and also expressed his excitement about bringing service to Richmond. He supports the project labor agreement and along with the good paying jobs it will bring to Richmond.

Director Donovan joined the meeting at 4:56 p.m.

5. REPORTS OF STAFF

Executive Director Nina Rannells thanked the Board, the City of Richmond and the public for their attendance. She said that the WETA has been working on the project for several years and looked forward to the service and its success. She referred the Board to her written report and noted that she had some verbal updates.

Ms. Rannells informed the Board that the MV *Hydrus* arrived on Tuesday after a two-day trip from Seattle, stopping once for fuel. After dry docking at Bay Ship & Yacht for some final work and training, she expected the boat to be in service in approximately four weeks. She added that MV *Cetus* was making a lot of progress and was launched from Seattle and will be at Whidbey Island where her cabin will be mounted.

Ms. Rannells clarified for the audience that RM3 would be an additional toll on Bay Area bridges which would be used to fund future transportation projects. She said that Richmond service was going to be funded for the first ten years as a commuter service with a minimum service schedule through Measure J Funds and that WETA would be seeking RM3 funds to support a more robust and long-term Richmond schedule and service.

Ms. Rannells said that she and Planning and Development Manager Kevin Connolly attended the first in a series of MTC meetings to discuss potential RM3 projects. Kevin Connolly provided a presentation to the group on WETA projects contained in the Strategic Plan.

Ms. Rannells said that WETA was approached and asked to use renewable diesel in ferry operations as a part of an initiative spearheaded by the San Francisco's Mayor Lee to have all ferry operators convert to the form of fuel. The City of San Francisco has converted their vehicle fleets and are encouraging others operating in and to the City to do the same. WETA staff is in the beginning stages of looking at what it would take to make this change, which involves, amongst other things, testing and approval from the ferry engine manufacturers.

Ms. Rannells informed the Board that WETA was randomly selected to participate in an FTA drug and alcohol compliance audit. She indicated that it was standard procedure and that it would take a look at

how WETA's contract operator, Blue & Gold Fleet, administers and manages its program in accordance with FTA rules and requirements.

Ms. Rannells said WETA was preparing for its March shoulder schedule, including starting Mare Island service, and for the beginning of Giants baseball service.

Operations Manager Keith Stahnke provided an overview of the service disruption and impact of winds, rain and debris from storms to all WETA services. He said debris was causing propeller damage and clogging the waterjet propulsion system. He noted that three vessels recently suffered propeller damage from debris requiring two to be dry docked

Chair Breckenridge provided additional comment related to emergency response. She noted that there was recent discussion regarding credentialing at the most recent Harbor Safety Committee meeting and the challenges in an emergency response scenario. She said that at the meeting this morning the Port of Los Angeles and Long Beach approached her to collaborate and elevate the issue in a proactive manner to ease access noting that this would be predominantly handled through the two Marine Exchanges.

6. CONSENT CALENDAR

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

- a. Board Meeting Minutes – January 12, 2017

Director DelBono seconded the motion and the item carried unanimously.

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

7. RICHMOND FERRY TERMINAL PROJECT UPDATE

Senior Planner Chad Mason presented this informational update on the Richmond Ferry Terminal Project which would establish a new ferry route between the existing San Francisco Ferry Terminal and a new ferry terminal on the Ford Peninsula in the City of Richmond which included an overview of upcoming activities and milestones.

Staff has developed a plan that would allow WETA to start construction of the project in 2017 and be in a position to open the new facility for use as early as 2018. A Funding Agreement and Memorandum of Understanding with the Contra Costa Transportation Authority will fund the operation for a minimum of 10 years.

Vice Chair Wunderman asked for a more definitive date for the start of Richmond service. Mr. Mason noted that the start date would be dependent upon the construction schedule for the terminal and vessels and said that he anticipated that construction would take approximately a year and that service could start as early as mid-2018 depending upon weather and construction progress.

PUBLIC COMMENT

City of Hercules Councilmember and Liaison to WETA Roland Esquivias congratulated WETA and the City of Richmond and expressed his support for the project. He extended an invitation to WETA to the grand opening of Hercules Traffic and Bayfront celebration and Hercules' efforts in easing traffic and congestion on I-80.

PUBLIC COMMENT

City of Hercules City Manager David Biggs expressed the City of Hercules' support for the project and that the success of the service would bode well for service expansion. He said that the City of Hercules was happy to make the Measure J funds committed to Hercules available to the City of Richmond. He

said that the City of Hercules and partners launched "Let's Get Highway 80 Moving" Coalition. Mr. Biggs said that the City of Hercules was having a town hall meeting led by Congressman Mike Thompson and Congressman DeSaulnier.

PUBLIC COMMENT

Jay Gardner of Wind + Wing Technologies stated that his company was working to provide zero emission propulsion in the local passenger market and other sectors of the maritime industry. He suggested that future WETA vessels be built with electric drive trains and challenged the Board to plan for the future with zero emission transportation.

PUBLIC COMMENT

Veronica Sanchez of Master, Mates & Pilots and Peter Engel, Director of Programs for Contra Costa Transportation Authority, both thanked WETA and the appreciation of working with Ms. Rannells and Mr. Mason and expressed excitement and support for the service.

8. APPROVE A PROJECT LABOR AGREEMENT FOR CONSTRUCTION OF THE RICHMOND FERRY TERMINAL PROJECT

Ms. Rannells presented this item to approve entering into a Project Labor Agreement (PLA) with the Contra Costa Building & Construction Trades Council for the construction of the Richmond Ferry Terminal Project and authorize the Executive Director to negotiate and execute the final agreement and take other such related actions to support this project.

Ms. Rannells noted that worked this PLA follows the Master PLA developed by WETA in December 2013 and that she had worked closely with Greg Feere of the Contra Costa County Building & Construction Trades Council to develop the agreement before the Board for consideration.

PUBLIC COMMENT

Dan Torres, representing fire sprinkler workers, spoke on behalf of the Contra Costa Building Trades Council and thanked the WETA for entering into a PLA and looks forward to a successful Richmond ferry project.

Chair Breckenridge commented that a new Charter School was working together to put together a Board and opening in the near future for grades 6 through 12 focused on maritime and looking for potential sites in Oakland or Vallejo. She encouraged the school to talk to the unions and trades council about apprenticeship type programs.

Director Donovan made a motion to approve the item.

Director DelBono seconded the motion and the item carried unanimously.

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

9. AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE ALL NECESSARY REAL ESTATE AGREEMENTS REQUIRED TO CONSTRUCT, OPERATE AND MAINTAIN THE RICHMOND FERRY TERMINAL

Mr. Mason presented this item to authorize the Executive Director to negotiate and execute all necessary real estate agreements required to construct, operate and maintain the Richmond Ferry Terminal Project. Staff outlined the three primary agreements which include a lease agreement with the City of Richmond that would grant WETA property rights to the proposed site, a shared use maintenance agreement with Ford Point that establishes parameters for WETA and Ford Point to share the parking area and to equitably share costs for ongoing maintenance activities, and a temporary

construction, maintenance and facility easement between WETA and Ford Point to allow construction activities on Ford Point property at the plaza and passenger shelter area of the terminal. Chair Breckenridge asked about total parking spaces and the amount available to the ferry and about other public transit and shuttle modes. Mr. Mason stated that there are over 300 spaces and use of spaces has not yet been determined and that AC Transit currently services the area; however, further analysis and coordination will be completed as it gets closer to the service start date.

Director Intintoli made a motion to approve the item.

Director Wunderman seconded the motion and the item carried unanimously.

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

10. AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS FOR CONSTRUCTION OF THE RICHMOND FERRY TERMINAL PROJECT

Mr. Mason presented this item to authorize the release of a Request for Proposals (RFP) for Construction of the Richmond Ferry Terminal Project. This project will construct a new terminal at Ford Point in Richmond, California. Project work includes construction of a new fixed pier, passenger waiting area and shelter, gangway, passenger loading float and expansion of an adjacent parking facility. The project includes landscaping and public access improvements to the Bay Trail, as well as construction of a new kayak launch in keeping with regulatory agency requirements.

Vice Chair Wunderman asked why a Request of Qualifications isn't used initially and voiced his concerns about low bids. Mr. Mason responded that it would be an added step and that the RFP takes qualifications into consideration as a part of the technical scores.

Vice Chair Wunderman made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

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

11. APPROVE ACTIONS RELATED TO THE INTRODUCTION OF FERRY SERVICE FROM THE NORTH BAY OPERATIONS AND MAINTENANCE FACILITY SITE ON MARE ISLAND

Mr. Connolly presented this item to authorize initiation of service to/from the North Bay Maintenance and Operations facility terminal site on Mare Island beginning on March 6, 2017 and to approve use of the standard WETA short hop fare of \$1.60 for travel between Mare Island and the Vallejo Terminal, and to incorporate the Mare Island short hop fare into the 2015-202 WETA Fare Program.

Director Intintoli referred to a question from the Rotary Club asking if there be direct service to San Francisco. Mr. Connolly confirmed that there would be not be direct service from Mare Island to San Francisco. He further noted that public outreach had already been initiated and that schedules would be adjusted seasonally.

Director Donovan asked if service would increase ridership and possible future direct service to San Francisco. Mr. Connolly said anything was possible but that service increases from this new short hop were likely to be modest.

Chair Breckenridge asked if free parking would be an incentive for people to depart for San Francisco from Mare Island. Mr. Connolly said that he thought that the additional travel time and limited trip selection would likely negate the benefit of free parking for most people. He noted that parking at the

Mare Island site was controlled by Lennar Mare Island and that WETA and Lennar Mare Island staff would monitor the parking situation as services are started.

Director Intintoli asked staff to keep in contact with the City about a future parking facility.

Director Intintoli made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

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

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

Todd Roberts of Marine Group Boat Works (MGBW) presented the WETA with boat renderings from surplus materials from recent projects completed at MGBW and voiced his appreciation for the work.

WETA thanked MGBW for their work.

Mr. Gardner asked WETA to come back about how it was going to go about greening its vessels. Chair Breckenridge commented that discussions about the issue were already underway.

Zach from the fire department said department was open to joint training opportunities.

All business having been concluded, the meeting was adjourned at 6:05` p.m.

Respectfully Submitted,
Board Secretary

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Submission of an Allocation Request to the California Department of Transportation for FY 2016/17 Low Carbon Transit Operations Program Grant Funds

Recommendation

Approve the following actions necessary to secure FY 2016/17 Low Carbon Transit Operations Program (LCTOP) funds to support WETA capital projects:

1. Approve submission of the FY 2016/17 LCTOP allocation request for funds, totaling \$122,324, to support the construction of *Richmond Ferry Vessels*; and
2. Authorize the Executive Director and Finance and Grants Manager to submit and execute all required documents of the LCTOP program with the California Department of Transportation (Caltrans), including the related Certifications and Assurances, on behalf of WETA.

Background

The Low Carbon Transit Operations Program (LCTOP) is one of several programs funded by auction proceeds from the California Air Resource Board's (ARB) Cap-and-Trade Program. Proceeds are deposited into the Greenhouse Gas Reduction Fund (GGRF) and LCTOP receives a five percent continuous appropriation of the annual auction proceeds beginning in FY 2015/16. Funding is assigned annually to public transit operators in the state based on the existing State Transit Assistance revenue and population based formulas.

The LCTOP provides operating and capital assistance for transit agencies to reduce greenhouse gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities. Per Senate Bill (SB) 824, approved projects are intended to enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit, or expanded intermodal transit facilities.

The LCTOP is administered by Caltrans in coordination with Air Resource Board (ARB) and the State Controller's Office (SCO). Caltrans is responsible to ensure that the statutory requirements of the program are met in terms of project eligibility, greenhouse reduction, disadvantaged community benefit, and other requirements of the law.

Discussion

On February 1, 2017, the SCO released the FY 2016/17 allocation of LCTOP funds. Based on the distribution formula, WETA is eligible to receive a total of \$122,324. Staff has reviewed the program criteria, as established by Caltrans, and worked with the California Air Resources Board staff to identify the new Richmond service vessels as an eligible project for these funds and has completed the required application.

As a condition for the receipt of LCTOP funds, eligible project sponsors must agree to comply with all conditions and requirements set forth in the Certification and Assurances, provided as

Attachment A, and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

Project sponsors are required to submit a separate Allocation Request form for each project. If the agency is not prepared to initiate a capital project in the current fiscal year, they may hold those funds over into a subsequent fiscal year. However, all funds must be applied to a project within four years and be completed within the subsequent four years.

Fiscal Impact

The *Richmond Ferry Vessels* project is included in the FY 2016/17 Capital Budget at a total project budget of \$42,000,000. The LCTOP will fund \$387,300 (\$264,976 from FY 2015/16 plus \$122,324 from FY 2016/17) of the total cost and the balance will be funded with State Proposition 1B and Regional Measure 2 funds already secured.

END

Lead Agency: San Francisco Bay Area Water Emergency Transportation Authority
Project Name: Construct Two New Richmond Ferry Vessels
Prepared by: Lynne Yu

The California Department of Transportation (Caltrans) has adopted the following Certifications and Assurances for the Low Carbon Transit Operations Program (LCTOP). As a condition of the receipt of LCTOP funds, project lead must comply with these terms and conditions.

A. General

1. The project lead agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
2. The project lead must submit to Caltrans a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

B. Project Administration

1. The project lead certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The project lead assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
2. The project lead certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
3. The project lead certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
4. The project lead certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
5. The project lead certifies that they will notify Caltrans of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
6. The project lead must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the
7. Any interest the project lead earns on LCTOP funds must be used only on approved LCTOP
8. The project lead must notify Caltrans of any changes to the approved project with a Corrective Action Plan (CAP).
9. Under extraordinary circumstances, a project lead may terminate a project prior to completion. In the event the project lead terminates a project prior to completion, the project lead must (1) contact Caltrans in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.
10. Funds must be encumbered and liquidated within the time allowed

C. Reporting

1. The project lead must submit the following LCTOP reports:
 - a. Semi-Annual Progress Reports by May 15th and November 15th each year.
 - b. A Final Report within six months of project completion.
 - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to Caltrans within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
2. Other Reporting Requirements: ARB is developing funding guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with ARB's funding guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

D. Cost Principles

1. The project lead agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. The project lead agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
 - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allow ability of individual project cost items and
 - b. Those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
3. Any project cost for which the project lead has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by the project lead to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the project lead to the State. Should the project lead fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project lead from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

A. Record Retention

1. The project lead agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project lead, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the project lead, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the “Project Closeout” report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project lead, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the project lead pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project lead’s external and internal auditors may be relied upon and used by the State when planning and conducting additional ..
2. For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the project lead’s contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the project lead shall furnish copies thereof if requested
3. The project lead, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

Caltrans may perform an audit and/or request detailed project information of the project sponsor’s LCTOP funded projects at Caltrans’ discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

Nina Rannells

(Print Authorized Agent)

Executive Director

(Title)

(Signature)

(Date)

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2017-06

**AUTHORIZATION FOR THE EXECUTION OF THE
THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT:
CONSTRUCT TWO NEW RICHMOND FERRY VESSELS - \$122,324**

WHEREAS, the San Francisco Bay Area Water Emergency Transportation Authority (WETA) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the California Department of Transportation (Caltrans) as the administrative agency for the LCTOP; and

WHEREAS, Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, WETA wishes to implement the LCTOP project listed above; now, therefore, be it

RESOLVED, by the Board of Directors of WETA that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects; now, therefore, be it

RESOLVED, that Nina Rannells, Executive Director and Lynne Yu, Finance and Grants Manager, be authorized to execute all required documents of the LCTOP program and any Amendments thereto with Caltrans; now, therefore, be it

RESOLVED, by the Board of Directors of WETA that it hereby authorizes the submittal of the following project nomination and allocation request to Caltrans in FY 2016/17 LCTOP funds:

Project Name: *Construct Two New Richmond Ferry Vessels*

Amount of LCTOP funds requested: *\$122,324*

Short description of project: *Two ferry vessels for the new Richmond Ferry Service*

Contributing Sponsors (if applicable): *N/A*

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 2, 2017.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2017-06

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director

SUBJECT: Approve Amendment to Agreement with Nossaman LLP for the Provision of Legal Services in FY 2016/17

Recommendation

Approve amendment to the agreement with Nossaman LLP in the amount of \$150,000 for the provision of legal services for FY 2016/17 and authorize the Executive Director to execute the amendment.

Background

WETA's enabling statute requires the employment of general counsel to manage its legal affairs. In August 2004, the San Francisco Bay Area Water Transit Authority authorized Nossaman LLP (Nossaman) to serve as its general counsel. In January 2008, this contract transferred to the San Francisco Bay Area Water Emergency Transportation Authority upon its creation and has been renewed annually since. Annual legal expenses vary from year to year based upon the volume and complexity of legal issues facing the agency. Nossaman has served the Authority's interests well in a wide variety of areas over the years and has developed a thorough understanding of the agency and our specific issues and needs.

Discussion

In May 2016, the Board authorized an amendment to the agreement with Nossaman in the amount of \$600,000 to provide general and specialized legal services to support agency operating and capital activities in FY 2016/17. Services provided include legal support for general agency operation, governance issues, contracts, legislation, procurement, policy development, employment law, insurance requirements, leases and other property transactions, capital project proposals, contracts and protest procedures and any other subjects of interest or concern that require legal resources. In accordance with the contract terms, legal support services are completed on an as-needed basis and billed at pre-determined rates.

Legal expenses through January are higher than originally anticipated due to the larger than anticipated amount of time and work associated with several capital projects in process including, most notably, work to develop and support the Construction Manager at Risk construction process and the Lease Disposition and Development Agreement and long-term lease with the Port of San Francisco for the Downtown Ferry Terminal Expansion Project, development of the various lease/use agreements associated with the Richmond Ferry Terminal project and review and support in developing the sole source ferry vessel procurement added to WETA's program mid-year. Staff recommends a contract amendment to increase Nossaman's contract for legal services in FY 2016/17 in the amount of \$150,000 to ensure that resources are available to support continued work on WETA's program and projects through June 30, 2016. These funds will only be spent on work activities as needed.

Fiscal Impact

Sufficient funds are included in the proposed FY 2016/17 operating and capital program budgets to support this amendment.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2017-07

**APPROVE AMENDMENT TO THE AGREEMENT WITH NOSSAMAN LLP FOR THE
PROVISION OF LEGAL SERVICES**

WHEREAS, WETA's enabling statute requires the employment of general counsel to manage its legal affairs; and

WHEREAS, on August 26, 2004, the San Francisco Bay Area Water Transit Authority Board of Directors authorized the Chief Executive Officer to negotiate a contract with Nossaman, Guthner, Knox and Elliott, LLP (now Nossaman LLP) to provide legal counsel for the agency; and

WHEREAS, this agreement was transferred over to WETA upon its creation on January 1, 2008, and has been amended annually to provide funding to continue this ongoing work; and

WHEREAS, WETA's existing Agreement No. 04-204 with Nossaman LLP for legal services expires on June 30, 2017 and funds in the amount of \$150,000 are needed to ensure that resources are available to support continued work on WETA's program and projects through June 30, 2017; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves Amendment No. 21 to Agreement No. 04-204 with Nossaman LLP for legal services in the amount of \$150,000; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to execute the amendment.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 2, 2017.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2017-07

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Informational Report on Upcoming Changes to WETA's Accounting and Finance Functions

Recommendation

There is no specific recommendation associated with this informational report.

Background

WTA/WETA has utilized the Association of Bay Area Governments (ABAG) to help manage its fiscal affairs in conformance with accepted state government accounting practices since March 2001. This includes fiscal services to process and pay invoices, keep WETA's accounting records, provide advice on financial accounting matters and provide for required independent financial audit work. Having these services provided by an external agency was tremendously helpful in the early years as WTA first came into existence and staffed up and in more recent years as WETA transitioned from being a small planning organization to managing a transit operation and its assets. The FY 2016/17 agreement with ABAG for accounting services totals \$140,000 and includes the services of Maze & Association to conduct WETA's annual fiscal audit for the prior year period (this work was completed in December 2016).

In 2015, ABAG and MTC began discussions regarding merging organizations and staffs to achieve efficiencies in regional planning activities and expenses. Current plans call for the assignment of all ABAG finance and accounting functions to MTC and transitioning ABAG's financial information to MTC's accounting system on or around July 1, 2017.

Discussion

ABAG staff has recently informed WETA staff that they will no longer be available to serve as an accounting resource for WETA beyond the FY 2016/17 accounting period ending on June 30, 2017, as they are working to transition their accounting system and services under MTC's existing system.

WETA staff has identified steps necessary in order to consolidate this work in-house and is working towards implementation no later than July 1, 2017; the beginning of the new fiscal year. Work activities necessary to achieve this goal include:

- Acquiring and configuring new accounting hardware and software for our use in-house;
- Ensuring that proper IT support and firewalls are in place;
- Hiring a new employee to manage the accounting function under the guidance of Lynne Yu, Finance & Grants Manager;
- Identifying and implementing changes to WETA's internal controls that are necessary to support this function in-house; and
- Securing the services of an independent auditor to meet WETA's statutory and external granting agency requirements for audits.

Staff has completed an initial investigation of accounting software suited to support a small public agency and believes the MIP Fund Accounting (MIP) system by Abila would meet WETA's essential financial needs. As part of the investigation, staff participated in a product demonstration and conducted site visits to the Marin County Transit District and Transportation Authority of Marin to see the MIP system in use and received positive feedback from two additional agencies that are using the MIP system.

Staff will complete the implementation of a new system with the help of the consultant Software Simplified this spring so that the system is up and running for use in closing out the 2016/17 accounting year and to utilize beginning day one of the new 2017/18 accounting year beginning July 1, 2017. For continuity, we will utilize the services of ABAG's audit firm Maze and Associates to complete the audit of the FY 2016/17 financials; work that will take place beginning this spring and end no later than December 31, 2017. Staff is developing a job description for a new full time position to complete the accounting function/work in-house and will bring forward this new full time position as a part of the FY 2017/18 budget.

Fiscal Impact

The total cost to implement the MIP Fund Accounting system is estimated to be approximately \$27,000, including \$10,500 for the purchase of the MIP software and \$16,500 for consultant support to help with system design, set-up, deployment and training. Annual maintenance and support of the system will cost approximately \$2,300. Sufficient funds are available in the FY 2016/17 operating budget to support this effort.

Staff estimates that the total annual operating cost to provide the accounting function in-house will be similar to that spent purchasing the services from ABAG (\$140,000 annually) and will ultimately result in providing access to a more powerful and flexible financial tracking and reporting system for the agency.

END