



Members of the Board

Charlene Haught Johnson, Chair
Anthony J. Intintoli, Jr., Vice Chair
Gerald Bellows
Timothy Donovan
Beverly Johnson

**MEETING AGENDA FOR THE
WETA BOARD OF DIRECTORS**

BOARD OF DIRECTORS' MEETING

Thursday, April 5, 2012 at 1:00 P.M.

San Francisco Bay Area

Water Emergency Transportation Authority

9 Pier, Suite 111

San Francisco

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

AGENDA

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

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

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

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

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|--|--------------------|
| 1. <u>CALL TO ORDER – BOARD CHAIR</u> | Information |
| 2. <u>ROLL CALL/PLEDGE OF ALLEGIANCE</u> | Information |
| 3. <u>REPORT OF BOARD CHAIR</u> | Information |
| 4. <u>REPORTS OF DIRECTORS</u> | Information |
| 5. <u>REPORTS OF STAFF</u> | Information |
| a. Executive Director's Report | |
| b. Legislative Update | |
| 6. <u>CONSENT CALENDAR</u> | Action |
| a. Minutes March 1, 2012 | |
| b. Minutes March 15, 2012 | |

Water Emergency Transportation Authority
April 5, 2012 Meeting of the Board of Directors

7. PUBLIC HEARING TO RECEIVE PUBLIC COMMENTS RELATED TO ADOPTING A FARE STRUCTURE FOR THE NEW SOUTH SAN FRANCISCO FERRY SERVICE *Timed Item*
1:00 P.M.
8. ADOPT A FARE STRUCTURE FOR THE NEW SOUTH SAN FRANCISCO FERRY SERVICE *Action*
9. APPROVE FISCAL YEAR 2011/12 OPERATING BUDGET FOR THE SOUTH SAN FRANCISCO FERRY SERVICE AND AUTHORIZE FILING APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR REGIONAL MEASURE 2 OPERATING FUNDS *Action*
10. APPROVE ON-CALL DREDGING CONSULTING AND CONSTRUCTION MANAGEMENT SERVICES LIST AND CONTRACT AWARD *Action*
11. RECESS INTO CLOSED SESSION
- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director *Action*
To Be Determined
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Mare Island Maintenance Facility at Building 477 and Building 165 sites, City of Vallejo
Agency Negotiator: Nina Rannells
San Francisco Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Vallejo
Under Negotiation: Terms and conditions of the Authority's proposed lease *Action*
To Be Determined
12. REPORT OF ACTIVITY IN CLOSED SESSION *Action*
To Be Determined
Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session.
13. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

Water Emergency Transportation Authority (WETA) meetings are wheelchair accessible. Upon request WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. Please send a written request to contactus@watertransit.org or call (415) 291-3377 at least five (5) days before the meeting.

Participation in a meeting may be available at one or more locations remote from the primary location of the meeting. See the header of this Agenda for possible teleconference locations. In such event, the teleconference location or locations will be fully accessible to members of the public. Members of the public who attend the meeting at a teleconference location will be able to hear the meeting and testify in accordance with applicable law and WETA policies.

Under Cal. Gov't. Code sec. 84308, Directors are reminded that they must disclose on the record of the proceeding any contributions received from any party or participant in the proceeding in the amount of more than \$250 within the preceding 12 months. Further, no Director shall make, participate in making, or in any way attempt to influence the decision in the proceeding if the Director has willfully or knowingly received a contribution in an amount of more than \$250 within the preceding 12 months from a party or such party's agent, or from any participant or his or her agent, provided, however, that the Director knows or has reason to know that the participant has a financial interest in the decision. For further information, Directors are referred to Government Code section 84308 and to applicable regulations.



MEMORANDUM

TO: WETA Board Members
FROM: Nina Rannells, Executive Director
DATE: April 5, 2012
RE: Executive Director's Report

PROJECT UPDATES

Service Transition Implementation – The Transition Plan guides the consolidation of the Vallejo, Alameda/Oakland and Harbor Bay ferry services under WETA and presents a five year financial outlook of WETA operating and expansion activities. The WETA Board of Directors adopted the final Transition Plan on June 18, 2009, in compliance with Senate Bills 976 and 1093 requirements.

All escrow requirements for the Alameda Transition were completed in April and the Alameda services were transferred to WETA on April 29, 2011. The WETA Board of Directors approved the Vallejo Transfer Agreement on October 6, and the Vallejo City Council approved it on October 11. WETA legal counsel and staff are working to finalize the document for execution and continue to work on necessary due diligence and pre-closing activities required prior to the close of escrow and transfer of the service to WETA. The system transfer is anticipated to be completed by June 30, 2012.

Vessels - Two 149-passenger vessels, *Gemini* and *Pisces*, and two 199-passenger vessels, *Scorpio* and *Taurus*, have been constructed by Nichols Brothers Boat Builders and Kvichak Marine Industries for use in WETA services and to expand WETA's emergency response capabilities. One of these vessels is currently chartered to the City of Vallejo for utilization in the Vallejo Baylink service while two of their ferries undergo midlife rehabilitation work.

South San Francisco Ferry Service - This service will provide access to biotech and other jobs in South San Francisco for East Bay commuters and expand the geographic reach of emergency ferry transportation response capabilities on the San Francisco Bay. Both contractors are completing their work at the site and beginning the clean-up process. The project will be substantially complete by month's end except for the installation of real time signage and the back-up generator which are long lead items for the suppliers.

John Sindzinski and Keith Stahnke met again with the Army Corps of Engineers on February 27 and learned that the start of their project inside the Oyster Point Marina has been delayed until late summer and will therefore, not be completed until October 2012 at the earliest and assuming no further delays.

Berkeley Ferry Service – This service will provide an alternative transportation link between Berkeley and downtown San Francisco. The environmental and conceptual design work includes plans for shared of an existing City owned parking lot at the terminal site between ferry and local restaurant (H^s Lordships) patrons. City participation is required in order to move the project forward and reach agreement on a shared use concept. In early February, Staff met with the Interim Deputy City Manager to discuss the status and next steps for the project. Staff is continuing to work with the City to outline the entitlement process for the project.

The Draft EIS/EIR identified a mitigation measure requiring WETA to prepare a Parking Mitigation Plan to address potential parking impacts on nearby users. In the Fall of 2011, WETA engaged the services of a transportation consultant to develop a Parking Management Plan. The plan identifies a set of parking management strategies to be implemented by WETA, the City and H^s Lordships. The key strategies include organizational coordination, attendant parking, marketing and communications, enforcement and signage. Staff coordinated with the City and H^s Lordships throughout development of the plan. The plan was completed in January 2012 and will be included in the Final EIS/EIR and serve as a basis for future coordination and agreement between WETA, the City and H^s Lordships.

The Draft EIS/EIR was published in October 2008. Staff has been working with the environmental consultant to prepare a re-evaluation of the Draft EIS/EIR. The purpose of the re-evaluation is to demonstrate that conditions near the preferred terminal location have not changed enough since publication of the Draft EIS/EIR to warrant preparation of a supplemental environmental document. In February, the FTA agreed with the conclusions in the re-evaluation document that a supplemental or new Draft EIS/EIR is not necessary. Staff is working with the environmental consultant to complete the Final EIS/EIR.

Treasure Island Service – This project, implemented by the Treasure Island Development Authority (TIDA), the Mayor's Office of Economic and Workforce Development and the prospective developer, will institute new ferry service between Treasure Island and downtown San Francisco in connection with planned Island development.

Staff recently met with TIDA to review operating and budgeting scenarios for future Treasure Island ferry service. TIDA and WETA staffs are working to prepare a draft Memorandum of Understanding (MOU) outlining each agencies' roles and responsibilities for moving forward with the project. The MOU will be subject to review and approval by the WETA Board.

Downtown San Francisco Ferry Berthing Expansion - This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new ferry services to San Francisco as set forth in WETA's Implementation and Operations Plan. The proposed project would also include landside improvements needed to accommodate expected increases in ridership and to support emergency response capabilities if a catastrophic event occurs.

The project team is in the process of preparing a Draft EIR/EIS based on scoping comments received to date that is scheduled to be completed and released for public review by mid-2012.

Pier 9 Berthing Facility - This project consists of two layover berths for mooring and access to ferry vessels on Pier 9 alongside the northern pier apron and adjacent to the WETA Administrative Offices. Guide piles, floats and gangways have been installed and final project work was completed in November 2011.

Central Bay Operations and Maintenance Facility - This project will develop an operations and maintenance facility at Alameda Point to serve as the base for WETA's existing and future central bay ferry fleet. The proposed project would provide running maintenance services such as fueling, engine oil changes, concession supply and light repair work for WETA vessels and serve as WETA's Operations Control Center for day-to-day management and oversight of service, crew, and facilities. In the event of a regional disaster, the facility would function as an Emergency Operations Center, serving passengers and sustaining water transit service for emergency response and recovery.

FTA recently initiated formal consultation with the National Marine Fisheries Service (NMFS) and informal consultation with the US Fish and Wildlife Service (USFWS) on behalf of WETA as required under Section 7 of Endangered Species Act. Staff has scheduled a meeting with NMFS staff to discuss the project. Pending completion of these consultation processes and the anticipated issuance

of a Biological Opinion by NMFS, WETA will be able to move forward with FTA to finalize environmental clearance of the project under NEPA.

Ridership Forecast Model Update – Staff has worked with its consultant to generate updated ridership forecast model runs to support planning efforts for the Downtown San Francisco Ferry Terminal Expansion Project, South San Francisco Business Plan and the Short Range Transit Plan. Staff has reserved funds in the approved project budget should additional future model runs be required to further support these projects or other agency planning efforts.

Hercules Environmental Review/Conceptual Design - This project is currently on hold awaiting clarification from the City as to its plans and ability to build the multimodal transportation center that is a necessary precondition to any ferry terminal. In early March, WETA staff met with City staff to discuss the City's phasing plans for building the adjacent multi-modal station. Based upon this discussion, it appears that in the event that sufficient funds are available to move this project forward, the work required to be done on the multi-modal facility prior to ferry terminal construction will not be completed until FY 2014/15 at the earliest. Staff met with the City of Hercules in early December to receive project status update and has recently requested a meeting with the City to discuss the project status.

Antioch, Martinez and Redwood City Ferry Service Expansion Projects – These projects involve conceptual design and environmental review for potential future ferry services to the cities of Antioch, Martinez, Redwood City and Richmond. WETA staff has coordinated with staff from each city throughout the respective planning processes. Concept designs for each proposed terminal are informed by projections of the ridership forecast model update currently in process. Ridership projections are used to determine appropriate capacity for terminal components such as, parking facilities, terminal access, passenger waiting areas and passenger loading and unloading facilities. The updated ridership projections are also used to forecast appropriate service levels and related operational costs for the potential new services.

WETA staff has engaged in early consultation with applicable state and federal agencies for all of the expansion projects. Early consultation will help to identify concerns of the state and federal agencies to be addressed in the conceptual design and environmental review processes. The consultation will also help to streamline the permit processes after environmental review is complete.

Chad Mason and John Sindzinski attended and presented to TRANSPLAN about the Antioch service. TRANSPLAN is an east Contra Costa policy board overseeing the planning and implementation of various sales tax financed transportation projects. Members of TRANSPLAN as well as citizens in attendance expressed interest in seeing ferry terminals built in Contra Costa to support emergency services as may be needed. TRANSPLAN has asked for a closer working relationship with WETA as we develop our program.

Richmond Ferry Service – This service will provide an alternative transportation link between the City of Richmond and downtown San Francisco. The environmental and conceptual design work includes plans for replacement of an existing facility (float and gangway) and a phased parking plan. Staff is working with City of Richmond staff and representatives of Orton Development Inc. to develop the plans. In early March, staff met with BCDC staff to review the proposed plan and received positive feedback on the proposed plan. Staff is working with the design consultant to refine the plans prior to starting the environmental review process. The environmental review is anticipated to start by early April.

Clipper Fare Media Implementation – WETA is coordinating with MTC to implement Clipper fare media on the future South San Francisco ferry service and its existing Alameda/Oakland and Alameda Harbor Bay ferry services.

Staff and MTC have worked to address delays relating to the AT&T network order and anticipates that the project will be completed prior to launch of the South San Francisco ferry service and that we would phase in use starting with the South San Francisco service. Staff is also working with MTC to establish a timeframe and funding plan for implementing Clipper on the Vallejo BayLink service, pending its transition to WETA.

Short-Range Transit Plan – WETA is required to prepare a short-range transit plan (SRTP) now that the agency is a transit service operator. The main purpose of the SRTP is to serve as a management and policy document for the transit operator, as well as a means of annually providing FTA and MTC with information necessary to meet regional fund programming and planning requirements. Staff has started to prepare the draft SRTP in accordance with MTC guidelines and anticipates bringing a draft document to the Board this Summer and preparing a final for Board approval in the Fall.

UPDATE ON RELEVANT PROJECTS IMPLEMENTED BY OTHER AGENCIES

Vallejo Station - Vallejo Station is a compact, transit-oriented mixed-use project in the City of Vallejo that includes two major transit elements – a bus transfer facility that will consolidate local, regional and commuter bus services and a 1,200 space parking garage for ferry patrons and the general public.

The Bus Transfer Facility portion of the project has been operational since July 2011. Minor adjustments and repairs to the facility have been performed. Project acceptance is anticipated in the next two months. Construction of Vallejo Station Parking Structure Phase A, which began in June 2010, is substantially complete. Minor punch list items are being performed. Certain aspects of the project have been opened to the public such as the kiss and ride lot, sidewalks and the bus bays. The surface lot adjacent to Main Street is to follow. The canopies over the elevator opening and stairs near Santa Clara Street will be add-ons to the project. These protective measures will help minimize wind driven rain from entering the structure.

Phase B of the parking structure is still dependent on the relocation of the U.S. Post Office. A parking management plan has been developed by the City's consultant and a public meeting is scheduled to inform the public of the recommended fee to park in the City's surface lot and parking structure. The City Council is scheduled to act on this fee later this Spring. Implementation of this plan is anticipated to occur later this Summer.

Mare Island Ferry Maintenance Facility – This project will construct a new ferry maintenance facility located at Building 165 on Mare Island in Vallejo in three phases. Phase 1 constructs a 48,000 gallon fuel storage and delivery system. Phase 2 includes construction of a system of modular floats and piers, demolition of Building 855 and construction of a new warehouse/shop in its place. Phase 3 will renovate Building 165 into a permanent office and shop space.

The City issued an RFP for construction of Phases 1 and 2 of this project in October 2011 and bids were received on December 2. All bids and bid alternatives exceeded both the Engineer's Estimate and the City's project budget. The City, WETA staff, Lennar and the consultant team are all involved in post-bid analysis and have been examining various land-side and water-side alternatives in a cooperative team approach. A half-day workshop was held on March 27 and several viable ideas for cost reduction were arrived at; all of which preserve the project's operational requirements. The consultant will be finalizing a Project Study Report that addresses the specifics of the revised plan and provides a timeline and milestones for moving forward, a permitting update and a revised project cost estimate.

On December 15th the California Transportation Commission approved the City's request for a 20 month extension for the \$4.2 million STIP grant allocated to the project to provide time to re-design and re-bid the project. The City now has until August 2013 to enter into a construction contract for the work. During the workshop on March 27, it was agreed to put forth full efforts to enter into a

construction contract by December 2012, well in advance of the CTC deadline, including finalization of all required permits prior to contract award.

OPERATIONS

San Francisco Bay Ferry Presidents' Day Service: Over the three day holiday, the SFBF carried a total of 7,198 passengers: 5,954 on the Alameda/Oakland service and 1,244 on the Harbor Bay service. The Presidents' Day service was funded by the Bay Area Toll Authority as part of their program to provide transit alternatives during the three-day closure of the Oakland Bay Bridge.

OTHER ACTIVITIES / ITEMS

America's Cup – The City of San Francisco will host the 34th America's Cup race and related events in 2012 and 2013. WETA staff is participating on the City's interagency task force for event transportation in order to support transportation planning and identify the role that WETA's ferry system might play in supporting this event. The City's Planning Commission approved the Final EIR in December 2011.

ADMINISTRATION

Attached are the monthly financial statements for FY 2011/12 through February 2012, including the Statement of Revenues and Expenses and the Capital Budget vs. Expenditures reports.

San Francisco Bay Area Water Emergency Transportation Authority
FY 2011/12 Statement of Revenues and Expenses
For Period Ending 02/29/2012

% of Year Elapsed 66.8%

	Current Month	Prior Year Actual	2011/12 Budget	2011/12 Actual	% of Budget
Operating Expenses:					
Planning & General Administration:					
Wages and Fringe Benefits	93,725	1,451,663	1,546,000	842,497	54.5%
Services	55,027	2,712,835	2,199,000	1,151,016	52.3%
Materials and Supplies	2,861	32,616	51,000	10,378	20.3%
Utilities	848	12,032	15,000	7,286	48.6%
Insurance	-	29,767	33,000	28,578	86.6%
Miscellaneous	1,813	42,390	128,000	22,521	17.6%
Leases and Rentals	21,874	290,944	298,000	183,178	61.5%
Sub-Total Planning & Gen Admin	176,147	4,572,247	4,270,000	2,245,453	52.6%
Ferry Operation:					
Vessel Operation	309,477		4,618,058	2,780,703	60.2%
Vessel Maintenance	152,468		1,459,905	1,165,238	79.8%
Facility Maintenance	8,724		419,144	283,161	67.6%
General & Administration	92,104		576,336	467,154	81.1%
Sub-Total Ferry Operation	562,773	-	7,073,443	4,696,257	66.4%
Total Operating Expenses	738,920	4,572,247	11,343,443	6,941,710	61.2%
Total Capital Expenses	662,113	21,835,930	24,392,774	9,733,865	39.9%
Total Expenses	1,401,033	26,408,177	35,736,217	16,675,575	46.7%

Operating Revenues

Fare Revenue	199,240		2,982,383	2,153,563	72.2%
Local - Bridge Toll	696,358	4,572,247	7,782,866	4,632,611	59.5%
Local - TIF	(156,679)		500,000	96,762	19.4%
Local - LLAD	-		78,194	58,644	75.0%
Local - Other Revenue	-		-	130	0.0%
Total Operating Revenues	738,920	4,572,247	11,343,443	6,941,710	61.2%
Total Capital Revenues	662,113	21,835,930	24,392,774	9,733,864	39.9%
Total Revenues	1,401,033	26,408,177	35,736,217	16,675,574	46.7%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2011/12 Statement of Capital Revenues and Expenses
For Period Ending 02/29/2012

Project Description	Current Month	Project Budget	Prior Year Actual	2011/12 Budget	2011/12 Actual	Future Year	% of Project
Capital Expenses:							
SSF Mitigation Study	-	275,000	42,459	232,541	2,221	0	16%
SSF Terminal Construction	491,989	26,000,000	15,414,540	10,509,460	6,840,750	76,000	86%
Berkeley Environ/Conceptual Design	23,217.43	2,304,700	1,785,235	519,465	130,299	-	83%
Berkeley Terminal Final Design	-	3,200,000	-	500,000	-	2,700,000	0%
Hercules Environ/Conceptual Design	-	1,080,000	989,932	90,068	530	-	92%
Pier 9 Mooring/Floats	15,716	3,150,000	1,733,540	1,416,460	1,362,053	-	98%
Environmental Studies/Conceptual Design	12,155	3,250,000	251,465	2,998,535	109,688	-	11%
Central Bay Ops/Maint Fac - Environ/Design	2,267	2,600,000	362,872	2,237,128	38,541	-	15%
Central Bay Ops/Maint Fac - Construction	-	30,000,000	-	130,000	-	29,870,000	0%
Passenger / Emergency Float	2,615	2,500,000	90,000	1,500,000	16,375	910,000	4%
S.F. Berthing - Environ/Conceptual Design	98,242	3,300,000	950,349	1,861,651	592,696	488,000	47%
Vessel Engine Overhaul	2,269	1,103,564	-	1,103,564	153,014	-	14%
Vessel Mid-Life Overhaul - Bay Breeze	12,334	5,015,000	-	515,000	37,591	4,500,000	1%
Channel Dredging - Harbor Bay	1,309	250,000	-	250,000	1,309	-	1%
Infatable Boyancy Apparatus Purchase - 20	-	120,000	-	20,000	-	100,000	0%
Terminal Facility Improv - Harbor Bay	-	250,000	-	20,000	-	230,000	0%
Terminal Parking Lot Rehabilitation	-	475,000	-	475,000	447,158	-	94%
Emergency Repair - Harbor Bay Facilities	-	177,440	175,800	1,640	1,639	-	100%
Communications Equipment	-	52,000	39,737	12,263	-	-	76%
Total Capital Expenses	662,113	85,102,704	21,835,930	24,392,774	9,733,865	38,874,000	

Capital Revenues:

Federal	215,427	23,233,404	8,839,892	7,794,447	3,134,268	6,599,065	52%
State	46,070	42,078,461	4,775,865	9,582,205	1,004,591	27,720,392	14%
Local - Bridge Toll	57,329	7,616,713	4,497,839	2,433,169	1,466,118	685,705	78%
Local - San Mateo Sales Tax Measure A	220,224	10,935,686	3,546,535	4,420,314	3,968,976	2,968,837	69%
Local - Alameda Sales Tax Measure B	123,063	1,238,440	175,800	162,640	159,911	900,000	27%
Total Capital Revenues	662,113	85,102,704	21,835,930	24,392,774	9,733,864	38,874,000	

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DATE: March 26, 2012
TO: WETA Board Members
FROM: Peter Friedmann
Tel: 202-783-3333 Fax: 202-783-4422 OurManInDC@federalrelations.com
SUBJECT: Report to the Board: April Board Report

There is excitement building among the San Francisco Bay Area Delegation for the upcoming inaugural ceremonies for the Oyster Point/South San Francisco Service. I have spoken with Jackie Speier and she has it on the calendar. We are working on other Members whose East Bay constituents will benefit from the service, such as Congressman Garamendi and Congresswoman Lee.

Back here on Capitol Hill, the Senate and the House remain locked in battle over the Transportation Reauthorization Act. The Senate wants a bill that lasts two years, the House wants a five year bill. In the meantime, the House is simply renewing the current law, which has been in place since 2006, for another three months. As long as the current law is extended, the annual \$2.5 million set-aside for WETA, will continue to flow. Also, the existing national Ferry Boat Program, which provides approximately \$70 million annually for ferry systems, through which one must apply for grants, remains intact as well. So, in a sense, if Congress does not write a new Transportation bill, it is good for ferry boats nationally, and good for WETA.

None the less, negotiations on an entirely new Transportation bill are continuing. It is clear that ferry boats are a bone of contention. Some highway advocates, who do not like spending the federal gas tax on transit, really oppose spending money on ferry boats. But the supporters of ferry boats remain adamant that even a small fledgling ferry boat program is essential. The exact shape of this ferry boat program will be the subject of battles between Democrats and Republicans, between the House and the Senate, until a final Transportation bill is written, debated, and passed.

Finally, we have begun the process of introducing Congressman Mike Thompson to the benefits of ferry service in the Bay Area, in preparation for his representation of Vallejo and Hercules starting in November (assuming he wins that election).

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(March 1, 2012)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met at the offices of Nossaman LLP, 50 California St, 34th Floor, San Francisco, CA.

1. ROLL CALL AND CALL TO ORDER

Chair Charlene Haught Johnson called the meeting to order at 1:15 p.m. Directors present were Vice Chair Anthony Intintoli and Director Gerald Bellows. WETA representative Stanley Taylor III of Nossaman LLP led the pledge of allegiance.

2. REPORT OF BOARD CHAIR

Chair Johnson noted that this was a Board retreat and invited members of the public to comment on non-agenda items.

3. REPORTS OF STAFF

Executive Director Nina Rannells stated that Assemblyman John Perez has appointed Timothy Donovan to replace John O'Rourke who has been promoted to be an international representative for IBEW.

Vice Chair Intintoli suggested that WETA hold another retreat in the very near future with the appointment of Director Timothy Donovan to review the past ten years and to participate in the discussion.

Ms. Rannells also thought that a tour of the services and facilities would be beneficial and that a retreat would allow him to get to know the other Board members.

4. PUBLIC COMMENT

Members of the public introduced themselves as Waterfront Manager John Mann from the City of Berkeley, Planner Victor Carniglia from the City of Antioch and Senior Deputy County Administrator Rich Seithel from Contra Costa County.

5. REVIEW PROGRAM STATUS

Ms. Rannells indicated that the format of the retreat was going to be in the form of a conversation with a presentation that focuses on WETA's shift from a planning to operating entity and about the services with opportunities for questions.

Manager of Operations Keith Stahnke reminded the Board that ferry services were transferred in April 2011 and that Harbor Bay provided Monday through Friday commuter service and that Alameda Oakland provided commuter, midday and weekend recreational and seasonal service for Angel Island and AT&T Park. These combined services made over 10,000 trips across the bay carrying over 600,000 passengers.

Mr. Stahnke added that there were also seven passenger incidents; one of the incidents unrelated to ferry operations was a heart attack in which WETA received letters from the family praising the actions of the crew. He noted that the contracted operators have done an outstanding job providing

reliable service and safe passenger transportation; however, WETA staff is engaged on a daily basis dealing with customer relations, vessel and facility repair, planning for special services such as extra service due to recent bridge closures, and general contract oversight.

Vice Chair Intintoli was interested in knowing about the impact on WETA staff from taking over operations. Ms. Rannells responded that there has been a significant impact. In particular, staff has spent a significant amount of time working through procurement issues related to maintenance, repair and rehabilitation of the vessels and marine assets inherited from the Alameda services. Since federal funds are available for much of this work, staff has had to incorporate the many federal rules and processes into the work on these projects. While the federal funds will allow WETA to take care of the deferred maintenance; however FTA procurement guidelines are very complex.

Ms. Rannells stated that she is looking at the staffing structure and consulting resources to determine any changes necessary to manage WETA's growing program, especially in light of the anticipated Vallejo service and asset transfer to WETA.

Vice Chair Intintoli asked whether or not WETA had a published number for customer service questions. He suggested that the Implementation and Operations Plan (IOP) that was adopted several years ago be reviewed for validity.

Director Bellows stated that the method he and his family utilized most to obtain ferry schedule information is through the website. Mr. Stahnke noted that the City of Alameda utilized a "call-em-all" service and that WETA has expanded notifications through email, text messaging and through the expanded use of the Next Bus customer notification system.

Director Bellows noted that these many notification methods were not applicable to himself as a casual rider and preferred accessing the website for specific information. Mr. Stahnke understood and added that information delivery could be targeted for a particular service and was planning to leverage the resources available through 511.org.

Ms. Rannells noted that she has been sitting on MTC's Transit Sustainability Committee which did a comprehensive review of transportation efficiency and cost cutting. One of the recommendations was the potential for a consolidated call center for small operators that she thought might be something that WETA could be a part of.

Director Bellows asked if crew had to have Standards of Training, Certification and Watchkeeping for Seafarers (STCW) training and Mr. Stahnke replied that crew was exempt in domestic service and that this was applicable for offshore vessels. Mr. Stahnke stated that the captains had radar endorsements, first aid and CPR and that crew members had merchant marine, TWIC cards, first aid and CPR adding that the operator certifies 100% of the crew for first aid and CPR as a rule.

Vice Chair Intintoli stated that WETA should minimize its expenditures on branding assets that may soon be replaced.

Mr. Stahnke continued his presentation with an update on the South San Francisco ferry service which, as planned, will provide up to six round trips per day utilizing one boat from Oakland-Alameda to Oyster Point. WETA has identified a start date of June 4.

Manager of Planning and Development John Sindzinski reminded the Board that the USACE project that was initially expected to begin in June and last approximately two months is now expected to begin in August and completed in October due to delays and required approvals. It was determined that the USACE would work around WETA. Mr. Sindzinski added that Peter

Grinnell suggested that WETA meet with USACE to make certain that USACE keep on schedule and not interfere with WETA vessels. Mr. Grinnell is also willing to offer the full \$400,000 he received from the USACE for this project to mitigate the cost impacts to ferry service. Mr. Stahnke added that the USACE project would need to be completed by pile driving season which is November.

Director Bellows asked about the original proposed start date of April 30. Ms. Rannells stated that WETA wanted more time to gear up, notify the ferry and shuttle operators and coordinate the implementation of the Clipper payment system and that this was the first time the June 4 date was made public outside of WETA.

Vice Chair Intintoli asked if there were any ticket purchase commitments from the local businesses and whether WETA had an advertising campaign in place. Mr. Sindzinski stated the advance notice would be needed to allow riders to load their Clipper cards. Ms. Rannells said that Manager of Transportation Services Ernest Sanchez was working on outreach and that WETA was communicating with the transportation coordinators of local businesses. There were no financial commitments in terms of operations. However, Genentech has helped work with WETA and the Peninsula Traffic Congestion Relief Alliance to obtain a grant to fund a portion of the cost of a bus shuttle service to and from the ferry terminal.

Vice Chair Intintoli was concerned with quorum issues and suggested that the March 15 meeting be postponed if there was nothing pressing. He asked if the spot bill had been submitted. Ms. Rannells confirmed that it was submitted, but indicated that it couldn't be amended for a month.

Vice Chair Intintoli wanted to know how long WETA would be able to operate without any particular level of designated subsidy and the expectations of MTC. Ms. Rannells responded that MTC's criteria as a commute only service was for a 40% farebox recovery ratio and recognized the challenges of meeting the 40% for a commute only service along with other proposed routes identified in the IOP. He felt that building services for emergency response is justifiable, but is only supportable in the long run if services will have sufficient regular ridership to meet MTC performance requirements within a reasonable amount of time after start-up.

Director Bellows wanted to know if MTC would grant WETA a waiver in WETA's emergency preparedness capacity as opposed to a strict transit agency and suggested that the labor unions may have some pull with MTC.

Ms. Rannells stated that a few years was not sufficient time for a new agency to build ridership and that she anticipates that a dialogue with MTC would be required over the next three years to determine factors affecting farebox recovery. Vice Chair Intintoli asked about the farebox recovery for Alameda and Vallejo. Ms. Rannells responded that Alameda was about 45-50%, Harbor Bay is closer to 40% and Vallejo is hovering at about 50% plus.

Ms. Rannells felt that WETA should have the flexibility to manage the funds designated to the agency within an overall context, and should only be required to meet an overall system farebox recover requirement, rather than a route-specific requirement.

Mr. Stahnke continued his presentation noting that passengers chose ferries over other transportation options due to the ferries reliability and provided the status of current and upcoming vessel and facility preservation projects. He discussed vessel preservation stating that the normal day to day maintenance was being handled by Blue & Gold Fleet and that WETA's involvement was required on larger projects adding that planning for some of these larger projects is done years in advance to access capital funding and for project coordination.

Vice Chair Intintoli talked about the responsibility of ongoing maintenance of the facilities such as the parking lots and the understanding and expectations of partnerships.

Public Comment

Mr. Mann commented that the City of Berkeley does not maintain the parking lot but that the responsibility was of H^s Lordships as outlined in the lease.

Vice Chair Intintoli asked if WETA was speaking with the jurisdictions that were involved with redoing the waterfront and discussing parking issues associated with implementing ferry service which may have been previously handled by redevelopment agencies.

Ms. Rannells responded that discussions were different depending upon each individual site. Mr. Sindzinski added that many factors play a role including joint development, upzoning ferry terminal area, parking management and day to day issues of maintenance and funding.

Vice Chair Intintoli stated that areas have been impacted differently from the housing collapse. Chair Johnson stated that she felt having the ferry close by would be a huge advantage. Vice Chair Intintoli agreed and added that the Vallejo ferry carries people from Napa and used to bring a bus in from Sacramento which was full. This bus was terminated because the ferries were at capacity and turning away riders from Napa and Vallejo to accommodate people from Sacramento.

Chair Johnson asked about the status of Berkeley and H^s Lordships. Mr. Sindzinski indicated that a parking management study had been done to determine how to control, manage and enforce parking for peak demands of H^s Lordships and peak ridership and that the environmental document was nearing completion.

Chair Johnson asked if Berkeley or Richmond was further along in the process. Mr. Sindzinski stated that Berkeley had been further along as WETA has been working on it longer and that the environmental study for Richmond had just been launched.

Director Bellows asked about issues of the train tracks. Mr. Sindzinski stated that a crossing had been funded and is moving forward.

Ms. Rannells added that the Richmond project could potentially move quickly. She stated that staff spent much time and resources managing projects and time spent managing ongoing operations along with activities and exercises involving emergency response planning. WETA had applied for a CalEMA grant for infrastructure risk assessment of facilities.

Vice Chair Intintoli asked about the meaning of risk assessment. Mr. Stahnke replied that it was pretty broad and encompassing and relates to structural, earthquake, safety and security mostly for valuation replacement and how service would be impacted by natural disasters or security incidents. Director Bellows added that it would help WETA to mitigate vulnerabilities.

Vice Chair Intintoli stated not enough money was being spent on marketing and that nobody in Vallejo was doing marketing or customer service and expressed his concern about continuing in this manner while WETA was waiting to take over service.

Ms. Rannells has been considering what staff additions need to be made when WETA takes over service. Director Bellows asked if it would be cost effective to bring in consultant from on call list for marketing. She indicated that work was already being done with focus on the launch of the South

San Francisco service and stated that she has a meeting scheduled with Marty Robbins, the Vallejo service manager, to discuss service needs and resources.

Ms. Rannells concluded this part of the presentation with a brief summary of WETA daily operations.

6. DISCUSS STRATEGIC ISSUES/DIRECTIONS

Ms. Rannells continued on with the next part of the agenda focusing on WETA's next steps. She began with the discussion of assuming Vallejo service which would significantly increase WETA's program, resulting in a program that provides 17,000 bay crossings per year providing 1.2 million passenger trips at an annual operating budget of approximately \$25 million.

Vice Chair Intintoli asked how WETA will be judged on its success noting that one of the considerations was how successful WETA was in expanding and getting acceptance of ferry service as a real form of transportation, obtaining funding and managing expense.

He expanded his question related to advocacy and working at the state level to request an increase in funding for operations. He felt that with more reasonable requirements for environmental studies that more funds would be available to support the needs of existing operations. He did not think that the public understood how much money was spent on time sensitive environmental studies that may have to be repeated or supplemented that could be used to create a facility. He emphasized that WETA needs to develop a legislative program and strategy for advocating at the state level for funds to build and support future operations and equipment.

Ms. Rannells reminded the Board that MTC has capped existing RM2 operating funds, limiting WETA's service purchasing power over time as cost inflation occurs. She added that while we are working on environmental studies/conceptual design for several potential expansion services, this is still an early step in the long process of service development. She further indicated that funds for expansion services are quite limited at this juncture, requiring WETA to be thoughtful in how the expansion program is developed and delivered.

Vice Chair Intintoli asked about a transportation sales tax measure in Berkeley and Richmond and whether it was available for ferries. Ms. Rannells stated that county transportation sales tax funds to support ferry transit services were available in Alameda, Contra Costa and San Mateo counties. She added that WETA is working on a financial plan and projection as part of the Short Range Transit Plan under development, and required by MTC. This plan is a form of business plan for transit.

Vice Chair Intintoli reminded everyone that when the state created the WETA, the intention was to create a regional agency to manage existing system operations, develop expansion services and direct emergency response services. To achieve this, he feels that the state needs to come up with funding, especially operating funds, to deliver this mandate. He also indicated that he thought that new services, or services developed to serve the emergency mandate should not have strict performance requirements. Vice Chair Intintoli and Ms. Rannells talked about the historical funding of operations of different services and agreed that it generally can take several years to develop a ridership base for new services.

Ms. Rannells stated that WETA's federal legislative advocate, Peter Friedmann, had worked in recent years to create consensus on a ferry boat discretionary expansion program to be included in the federal transportation reauthorization bill. The current version of this bill does not include a ferry boat discretionary program element, which could be added through a future amendment. Ms. Rannells will continue to work with Mr. Friedmann on this issue.

Chair Johnson suggested forming a committee or joining one to advocate for funding. Vice Chair Intintoli was willing to participate in going to Sacramento with opportunities defined to secure more money.

Ms. Rannells added that WETA was going to be implementing the Clipper card and that she felt it would receive a positive response. Vice Chair Intintoli asked how Clipper card was going to benefit him as a rider. Mr. Sindzinski began with being able to use Clipper on every major transit system between different modes of transportation offering transfers and discounts between systems and minimizing cash management and handling as Clipper can be linked to credit cards for automatic loading of funds.

Ms. Rannells stated that the Clipper card has made riding transit much easier without having to wait in line to purchase a ticket for each mode of transit such as BART to Muni. Director Bellows noted that the Clipper card was similar to the FasTrak used on bridges.

Mr. Sindzinski continued the presentation with a slide listing the routes identified in the IOP for development as expansion services. He noted that the Treasure Island service is designed to be developed by the City of San Francisco and operated by WETA. Part of the facilities and part of the operations will be funded by the developer and will guarantee revenue for a baseline level of service. As demand increases, the service is projected to become self-sustaining from fares and through charges to homeowners who will be obligated to purchase a monthly pass through the Treasure Island Mobility Management Agency (TIMMA).

He added that WETA has updated its 20 year ridership projections as a requirement of CEQA and NEPA which reflect a substantial decrease in ridership for some of the services. Of the IOP services, Treasure Island, Richmond and Berkeley are projected to continue to have the highest ridership of the planned services. These projections are based on estimates of population and employment from MTC and ABAG showing a delayed rebound from the recession and competing service.

Vice Chair Intintoli indicated that the cities need to be informed of the ridership projections and need to understand the implications of low ridership numbers before committing to any investments of land, waterfront or local funds to support services. He also stated that the state legislature should be involved and should assume some of the burden for maintaining ongoing system costs.

Public Comment

Mr. Mann from Berkeley stated that the Department of Boating and Waterways has withdrawn a loan approval to Martinez for dredging and renewal of their harbor until Martinez pays off existing loans. Martinez has just approved \$500,000 for a dredging program to try and dredge the marina to keep it operational. Mr. Sindzinski clarified that WETA had no intention of building a terminal inside the marina as it would create issues for pleasure boats in addition to being a tight marina which would make operations difficult.

Public Comment

Mr. Carniglia from Antioch stated that he had already gone over the numbers with John Sindzinski and agreed that the lower numbers were a cause of concern. He feels that the best thing the WETA could do was approach the local agencies with estimated service development and operation costs, state that this was going to be a real challenge and ask the agencies what types of subsidies they would be able to provide. He thinks that the emergency mode needs to serve a large geographical area. He mentioned concerns about doing environmental studies too early and ramping the studies back and instead doing a broad level view with a conceptual design study so

that decision makers can see that the project is real. He also thinks that we need to talk to sister communities such as Oakley, Brentwood and other east county cities for them to see the benefit of coming to downtown Antioch for a commute trip or pleasure vacation in the city and the fact that Antioch's riverfront is the gateway to the delta. He thinks that it is important to have the numbers out and quantify challenges and then work in partnership to lobby Sacramento. He stated that Antioch is motivated to make this work but has limited resources.

Vice Chair Intintoli stated that Antioch needs to consider its viability as a commute service. He asked Mr. Carniglia about the commute time expectations as a viable commute service and wanted to know how long the commute would be on BART compared to the two hours by ferry. Mr. Carniglia stated that the BART system does not yet exist but with the eBART connection, commute time is expected to be about an hour and twenty minutes noting that eBART has been approved and is under construction.

Vice Chair Intintoli reiterated that funding would be required to implement and maintain operations. Ms. Rannells added that by virtue of the route length and the cost of fuel and crews, the service would be expensive considering a two hour trip and that only one trip could be achieved with one boat in a commute period with a four hour round trip. Multiple boats would be needed to provide more frequent service with potential low ridership.

Vice Chair Intintoli commented that he would be thrilled to see ferry service throughout the Bay Area, but that he didn't want to see it fail or see people be disappointed. He stated that there had to be dialogues with the cities and state so that everyone is aware of the facts and the risks associated with each potential new service.

Public Comment

Mr. Seithel from Contra Cost County indicated that he thinks that the county should also go up to Sacramento. He stated that east counties have been holding economic summit meetings with a lot of east county communities and indicated that the communities are supportive of ferry service.

Ms. Rannells agreed that new service plans are exciting, but expressed caution and concern that these discussions may be inviting unrealistic expectations regarding WETA's program. Vice Chair Intintoli commented on his experience about the unknown growth of the Vallejo service and hoping that they had done the right thing in starting the service with all of the associated risk.

Ms. Rannells asked if the Mr. Seithel and Mr. Carniglia what the appropriate forum would be for a thorough discussion regarding WETA's program in the county, and stated that it seemed that this might be through the Contra Costa County Transportation Authority. Mr. Carniglia offered to pull together a group that is a cross section of stakeholders and interested parties.

Director Bellows asked if a service which included Antioch and Martinez had been considered which would increase options. Mr. Sindzinski responded that an interlined service stopping in both Antioch and Martinez was the original concept for these services but that this would add time to the trip and the idea was not well received during the development of the IOP. Vice Chair Intintoli commented that Vallejo had considered making a stop but the reaction was negative and ridership would have been reduced.

Mr. Sindzinski wanted to note that there were also capacity limitations with two docks in downtown San Francisco which needed to be taken into consideration as WETA develops its plans over time. He noted that each float could accommodate approximately four or five arrivals an hour.

Ms. Rannells talked about the flow of state funds that had been promised over ten years for capital. She indicated that it is not enough to build WETA's full expansion program, and that significantly more operating dollars are needed to support such a system. The first priority on capital funds is to support the first tier of expansion services, create additional berthing capacity in downtown San Francisco, development and construct needed maintenance and operations facilities and support construction and rehabilitation of system vessels. Vice Chair Intintoli added that several years ago it costs \$14 million to build the larger capacity boats. Mr. Sindzinski added that each terminal site has different conditions that can impact construction and operating costs. For instance, terminal sites with existing infrastructure, such as Richmond, may be able to be built and operated at a significantly reduced cost. He also noted that sites that require significant ongoing dredging could be cost prohibitive to operate on an ongoing basis.

Public Comment

Mr. Carniglia thinks that the WETA Board has a real challenge given the whole emergency aspect and reconciling that with transit. He thinks that having a terminal in Antioch would provide the ability for emergency service and that this needs to be considered a priority. He feels that Antioch is a case study without operational funding from the state.

Vice Chair Intintoli said that if the terminal were just for emergencies, the City of Antioch would have to devote land on the waterfront for a facility that is only used in an emergency requiring water transportation services. He indicated that it's better to have a viable commute service to balance out the cost of building and maintaining a facility and to justify the use of the City land.

Ms. Rannells indicated that she and WETA staff would work to provide the City of Antioch and others with updated ridership and cost figures for terminal-only and terminal + service scenarios. In particular, for the City of Antioch, she has been told that they may be interested in securing transportation funds for a ferry terminal and/or service as a part of a potential future Contra Costa transportation sales tax measure, so she and WETA staff would work to make sure that they have sufficient cost information to adequately represent their needs.

Ms. Rannells wrapped up the session thanking the Board for their attendance and participation.

7. ADJOURNMENT

The meeting was adjourned at 4:04 p.m.

Respectfully Submitted,

Board Secretary

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(March 15, 2012)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the WETA offices at Pier 9, Suite 111, San Francisco, CA.

1. ROLL CALL AND CALL TO ORDER

Chair Charlene Haught Johnson called the meeting to order at 1:05 p.m. Directors present were Vice Chair Anthony Intintoli, Director Gerald Bellows, Director Timothy Donovan, and Director Beverly Johnson. Director Donovan led the pledge of allegiance.

2. REPORT OF BOARD CHAIR

Chair Johnson welcomed Director Donovan to the WETA Board of Directors, noting that he had been confirmed by Assembly Committee on Rules on February 29 and would be replacing John O' Rourke, who had moved to a new position for the international office of the IBEW supervising multiple jurisdictions in Northern California.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Nina Rannells offered the Board her written report to the Board with one addition, noting an electrical fire onboard *Scorpio* on March 8. She reported that the vessel, under bareboat charter to the City of Vallejo, had been docked at the time of the incident, that no passengers had been onboard and that no crew was injured. She said that although the fire was extinguished quickly, *Scorpio* would be out of service until the cause of the fire could be confirmed and repairs made.

Director Johnson asked if the fire was due to a design issue. Ms. Rannells replied that that would be determined by the investigation and that the other WETA vessels sharing *Scorpio's* design would be looked at as well.

Vice Chair Intintoli asked how service was being covered, noting that the vessel *Intintoli* would return to Baylink service the next week. Ms. Rannells replied that three buses had been contracted from a private operator as Soltrans was unable to guarantee bus service coverage. Manager of Operations Keith Stahnke added that once the *Intintoli* passed U.S. Coast Guard inspections it could return to service, which could be as soon as Monday the 26th.

Vice Chair Intintoli stated that there is no cover for passengers waiting for back-up buses and urged that a bus shelter be erected in Vallejo. Ms. Rannells said that she would bring this to the attention of Soltrans and City of Vallejo staff.

Chair Johnson referred Director Donovan to Ms. Rannells' monthly report, noting that it was a good overview on WETA's activities that could help bring him current. Ms. Rannells noted that the report was a joint effort by WETA staff.

Ms. Rannells noted that a report from WETA's federal legislative representative Peter Friedmann of Lindsay, Hart, Neil & Weigler, LLP was included in the packet which reported on positive movement regarding the Federal Transportation Reauthorization Bill as well as changes to the Bay Area congressional delegation due to redistricting.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve the minutes from the February 16, 2012 Board meeting. Director Bellows seconded the motion and the item carried unanimously.

6. AUTHORIZE STAFF TO PROCEED TO DEVELOP LEGISLATION TO CREATE STAGGERED DIRECTOR TERMS

Ms. Rannells presented this item requesting board authorization for staff to proceed with development of legislation to create staggered terms for the WETA Board of Directors. She noted that the Board had expressed interest in addressing the issue of non-staggered terms for a number of months and previously directed staff to work with WETA state lobbyist, Barry Broad, of Broad & Gusman, LLP, to develop a means to create a technical fix to this issue through legislative changes to WETA's enabling statute.

Ms. Rannells reminded the Board that the language to create staggered terms was developed and brought before the Board for discussion at the February 16 meeting, and that the proposed language served to stagger board appointments by changing the length of several board seats during the second term appointment, after which they would revert to a six year term length. She noted that Mr. Broad was present to answer questions from the Board.

Vice Chair Intintoli asked Mr. Broad to clarify why the altered terms were constructed in the way that they were. Mr. Broad explained that the bill called for two of the Governor's three appointees to term out after only two years and that those two seats would then be reappointed as regular six year terms. He added that similarly, each legislative chamber would make an appointment which would term out after four years, after which they would reappoint those seats as regular six year terms. Mr. Broad said that the third Governor's appointee would simply be appointed for a six year term from the outset, and that this would create staggered terms for the Board going forward.

Vice Chair Intintoli noted that it seemed a complex solution. Mr. Broad said that this was the recommended approach from legislative counsel, based on their experience with similar legislation in the past.

Director Bellows asked why they could not be staggered with one appointment changing at a time, suggesting that this approach could be better for WETA. Mr. Broad said that this would create political issues, because you could not give the pro Tem an appointment opportunity that the Speaker would not get at the same time. Mr. Broad said that he had been advised that legislation that was not balanced in this way would not be well received by the leadership and would be unlikely to pass as a result.

Director Bellows asked if having the Governor's appointees set at one for two years, one for three years, and one for six would not yield a more evenly staggered result. Mr. Broad suggested that this would yield something of a "leap year" result where there would be gaps between terms, and reiterated that if WETA simply wanted to address the issue of staggered terms with a minimum of controversy that he suggested following the recommendations of legislative counsel.

Director Johnson asked about designating seats on the board for representatives of the Cities of Alameda and Vallejo. Vice Chair Intintoli asked what the best manner of addressing this issue would be. Mr. Broad said this was an issue that would need to be initiated by the cities on their own

behalf and that whatever entity takes up the issue will be confronting a significant challenge regarding the balance of power, because directly addressing a desire for a stakeholders' board will bring up the issue of who the stakeholders are. Vice Chair Intintoli noted that Alameda and Vallejo had 20 years invested into the ferry systems which the state had reallocated to WETA.

Director Johnson asked why it was the cities that needed to initiate action and not WETA. Mr. Broad pointed out that the legislation that created WETA also created an "at large" board that was neutral on issues of governance and explained that an effort by WETA to change this would be met with disfavor. The bill at hand to stagger the board terms was non-controversial and purely technical.

Director Johnson said that it was Alameda and Vallejo who had the current services. Mr. Broad pointed out that those services also include Oakland and San Francisco. Director Johnson said that Oakland had never expressed interest in the service. She added that she had told her constituents that Alameda would have representation on the WETA Board. Mr. Broad said that the cities could initiate a process to create a representational board if that was desired.

Director Johnson asked specifically who would oppose a representational board. Mr. Broad said that an inquiry had been made on the Board's behalf and that he had received indication that the City of San Francisco, the City of Oakland, Marin County and organized labor had all expressed objections, and that specifically the Cities of San Francisco and Redwood City would withdraw support for the bill if amended in this way.

Mr. Broad added that the legislature had made its intent to have an at-large board clear with WETA's original enabling legislation and that to change that provision would require time and a great deal of consensus building.

Vice Chair Intintoli declared his intent to support the item but strongly suggested that the cities initiate discussions to create representation on the WETA Board. Director Johnson agreed, saying that the Cities of Alameda and Vallejo must revisit this issue.

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

7. APPROVE FY 2011/12 OPERATING BUDGET INCREASE AND AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR ADDITIONAL FY 2011/12 REGIONAL MEASURE 2 OPERATING FUNDS TO SUPPORT THIS INCREASE

Manager of Finance and Grants Lynne Yu presented this item to the Board requesting approval of actions related to the FY 2011/12 Operating Budget which included approval of a budget increase in the amount of \$887,000 for the FY 2011/12 Operating Budget to support the Alameda ferry services and authorization to file an application with the Metropolitan Transportation Commission for an additional \$819,000 in FY2011/12 Regional Measure 2 operating funds to support this increase.

Ms. Rannells added that this was "use it or lose it" funding. Vice Chair Intintoli asked if this was enough, considering the uncertain future of fuel costs. Ms. Yu said that it was a very conservative budget that took rising costs under consideration.

Director Johnson asked if there was any way WETA could protect itself against rising fuel costs by participating in a pool or buying in larger quantity. Ms. Rannells said that this was a separate issue, and Mr. Stahnke added that it had been reviewed previously, noting that storage capacity limited

the amount of fuel that could be purchased. He also added that the additional cost to buy a price guarantee was prohibitive.

Vice Chair Intintoli asked about other increased operations costs. Ms. Rannells replied that the vessels WETA had inherited were in need of substantial maintenance work and that there were some cost increases related to the new service agreement which is structured to include both fixed and variable costs. She said that this was an adjustment period and that she anticipated a similar one would be encountered when WETA would assume Vallejo service. Director Intintoli asked what the anticipated date for that transition was. Ms. Rannells said that it should occur on July 1.

Director Donovan asked if there was one yard that performed maintenance on all the vessels. Ms. Rannells replied that Blue & Gold Fleet, the current operator under contract for the Alameda/Oakland service and also for the Vallejo service after July 1, performed most maintenance at its Pier 9 facility and the Vallejo maintenance facility and that larger jobs are generally undertaken at Bay Ship & Yacht in Alameda.

Manager of Planning and Development John Sindzinski told Mr. Donovan that WETA was also in planning stages for the construction of its own Central Bay maintenance facility and that having facilities located near the services would result in substantial fuel savings. Ms. Rannells said that completing the permanent Vallejo facility and constructing the Central Bay facility would give WETA the infrastructure to support its services.

Director Bellows made a motion to approve the item. Director Johnson seconded the motion and the item carried unanimously.

8. APPROVE PROPOSITION 1B PROGRAM OF PROJECTS AND AUTHORIZE AGENCY OFFICIALS TO EXECUTE PROGRAM REQUIREMENTS

Ms. Yu presented this item requesting that the Board authorize actions related to the FY 2011/12 Proposition 1B Waterborne grant program, including approval of a list of FY 2011/12 Proposition 1B Waterborne projects for transmittal to the California Emergency Management Agency and to authorize the Executive Director, Attorney and the Finance and Grants Manager to execute grant program documents required to obtain funding.

Vice Chair Intintoli asked if the funding had already been appropriated. Ms. Rannells replied that the funds were included in the State budget, but that WETA had no way to know when the State would issue bonds and release funds.

Director Bellows asked if WETA had the option of reprogramming these funds if needed. Ms. Rannells replied that it was allowed to shift funds between projects but that new projects could not be added once the bond sales had gone forward. Ms. Yu added that there were two kinds of bonds. She said that funding through Build America bonds did not allow for changes but that proceeds from non-exempt bonds gave WETA the flexibility to add new projects. Ms. Yu added that these restrictions were part of why the proposed projects were broad in scope.

Director Johnson asked if there was an anticipated date for the bond sale. Ms. Yu said that she had heard that it may be included in the Fall bond sale but that a firm date could not be ascertained.

Public Comment

Veronica Sanchez of Masters, Mates & Pilots asked if there was a list or prioritization of vessels in the queue in need of replacement.

Ms. Rannells said that the *Express II* was at top of the list, followed by the *Encinal* in a few years, and that Ms. Yu was also working on obtaining federal funding for replacement vessels through MTC.

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

9. PUBLIC COMMENT

Kerry Motts, a resident of Antioch and President of the Rivertown Presentation Society, delivered a written statement to the Board in support of expansion of ferry service to the City of Antioch.

10. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 2:00 p.m. Upon reopening of the meeting at 3:05 p.m. she reported that no action had been taken.

11. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:05 p.m.

Respectfully Submitted,

Board Secretary

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
John Sindzinski, Manager, Planning & Development

SUBJECT: Public Hearing to Consider Comments on the Proposal to Adopt a Fare Structure for the South San Francisco Ferry Service

Background/Discussion

The purpose of this agenda item is to conduct a formal public hearing to consider certain recommendations concerning the fares for the South San Francisco ferry service. Specifically, the hearing will consider comments to adopt the following fare structure:

Adult Full Fare:	\$7.00
Senior, Medicare Card and Disabled:	\$3.50
Youth (ages 5 -12)	\$3.50
Child (under 5)	Free

These fares would apply for cash and Clipper card patrons.

Speakers will be asked to clearly state their name and city of residence for the record and to keep their comments to 3 minutes or less. Once all public comments are received the hearing will be closed. The WETA Board will then consider, later in today's agenda, taking formal action on the proposed fare structure subject to any comments received at today's hearing or during the 30 day public comment period.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
John Sindzinski, Manager, Planning & Development

SUBJECT: Adopt a Fare Structure for the New South San Francisco Ferry Service

Recommendation

Adopt the recommended fare structure for the South San Francisco ferry service as follows:

Adult Full Fare:	\$7.00
Senior, Medicare Card and Disabled:	\$3.50
Youth (ages 5 -12)	\$3.50
Child (under 5)	Free

These fares would apply for cash and Clipper card patrons.

Background/Discussion

WETA is schedule to launch its first expansion ferry service on June 4th, providing service from the Oakland Clay Street and Alameda Main Street terminals to the new terminal recently constructed in the Oyster Point Marina in South San Francisco (SSF). This service will provide a new public transportation service link with a focus on transporting people traveling from the East Bay to work in SSF. The service, as planned, will provide five weekday peak period trips, including three trips to SSF in the morning and two trips back to the East Bay in the afternoon. The crossing time will be approximately 40 minutes.

As part of the implementation of new SSF ferry service WETA needs to establish a fare structure. The fare structure outlined in the recommendation for this item takes into account balancing WETA's need to provide service at a reasonable price while also working towards meeting MTC's 40% farebox recovery ratio requirement associated with the use of RM2 operating subsidy funds. Under MTC's current policy, WETA will have three years to meet this requirement. Staff estimates that this fare will yield a 20% to 25% farebox recovery ratio in the first year of service.

The SSF fare will also cover a free transfer to a shuttle service that will serve local employment centers that has been arranged through the Peninsula Congestion Alliance (Alliance) and is partially funded with a San Mateo County Transportation Authority Measure A grant. The cost of a similar trip on BART (with a transfer to an Alliance shuttle) ranges anywhere from \$4.35 to \$6.40 one-way depending upon the station used and related parking fees.

Public Outreach Process:

Consistent with WETA's enabling legislation, WETA notified the Cities of SSF, Oakland, Alameda and the Port of Oakland that WETA would be holding a public meeting to consider the

above noted fare structure for the East Bay/South San Francisco ferry service. Additionally, WETA also notified the transportation coordinators for local employers, the shuttle bus coordinators, the Peninsula Congestion Alliance and a list of over 300 interested riders.

A dedicated page was established on WETA's website for the notice (with a downloadable copy for printing, fax/mail info and an e-mail link for comments). Links to this dedicated page were included on the Home Page and the Public Notices pages of the WETA website.

As of the date that this memorandum was written, one public comment had been received stating that the fare should be in the range of \$6.00 to \$6.50 similar to other services so as to not deter riders from using the new SSF service. Any additional comments received prior to the scheduled meeting will be provided to the Board of Directors at that time.

Title VI Analysis:

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color and national origin in programs and activities receiving federal financial assistance. In accordance with FTA guidelines for Title VI, staff has reviewed this proposal and found that establishment of the proposed fares do not have an adverse impact on minority, low income and disadvantaged communities, based on the fact that this is a commuter service providing direct transit to a location previously not served before and that alternative travel methods to this location exist, including BART, that have lower fares than those proposed by WETA, mitigating any perceived impact of minority populations.

California Environmental Quality Act (CEQA) Analysis:

Staff analyzed the proposed ferry fare for possible impacts under the California Environmental Quality Act (CEQA). The staff analysis found that CEQA does not apply to the establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by public agencies for the purpose of meeting operating expenses. A "Notice of Exemption" will be filed if the proposed changes are approved by the Board.

Fiscal Impact

Based on ridership projections, the proposed fare structure is anticipated to result in approximately \$730,000 in annual passenger fare revenue to help cover the \$3.3 million estimated annual service operating cost.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Fiscal Year 2011/12 Operating Budget for the South San Francisco Ferry Service and Authorize Filing Application with the Metropolitan Transportation Commission for Regional Measure 2 Operating Funds

Recommendation

Staff recommends that the Board of Directors approve actions relative to the implementation of the new South San Francisco (SSF) ferry service, as follows:

1. Approve the proposed Fiscal Year 2011/12 Operating Budget for the SSF ferry service; and
2. Authorize, by resolution, the filing of application with the Metropolitan Transportation Commission (MTC) for \$200,000 FY2011/12 Regional Measure 2 (RM2) operating funds and authorize the Executive Director to execute the associated agreements.

Background

Chapter 5, Article 4, Section 66540.41 of WETA's Administrative Code requires preparation and implementation of annual budgets to support the agency's operation. This item contains the proposed operating budget for the SSF ferry service for FY 2011/12.

On March 2, 2004, voters passed Regional Measure 2 (RM2), raising the toll for all vehicles on the seven State-owned toll bridges in the San Francisco Bay Area, by \$1.00. This extra \$1.00 is to fund various transportation projects within the region. RM2 provides funding for both capital projects and operating support for a number of transit services. These projects are identified in Section 30914(c) and (d) of the California Streets and Highways Code (S&HC). MTC's RM2 Policies and Procedures require agencies eligible to receive RM2 operating funds to formally submit an application for these funds.

Discussion

The launch of the SSF ferry service is planned for Monday, June 4, 2012. The proposed FY 2011/12 operating budget, as provided in **Attachment 1** to this report, totals \$250,000 for the period June 4 through June 30, 2012. Revenues to support the proposed operating budget include \$50,000 from fare revenues and \$200,000 from FY 2011/12 RM2 operating funds

The SSF ferry service will provide peak-period ferry service between Main Street in Alameda, Clay Street (Jack London Square) in Oakland, and Oyster Point in South San Francisco. The service will operate year-round on a regular weekday only schedule consisting of five daily crossings. The SSF ferry service will be operated under contract by Blue & Gold Fleet. The proposed FY 2011/12 operating budget includes \$214,000 for vessel operations and maintenance by the contractor as well as operator fees. The proposed budget also includes \$28,000 in direct expenses for vessel and terminal operations and maintenance and \$8,000 for management oversight.

WETA's FY 2011/12 RM2 application for operating assistance for the SSF ferry service includes the RM2 Operating Assistance Proposal, Certifications and Assurances and Board Resolution. The Board Resolution contains the following key items:

- Grants the Executive Director, or her designee, authority to execute the allocation request and transmit it to MTC;
- Assures MTC that there is no legal impediment for WETA to make this request and that there is no pending or threatened litigation;
- Commits WETA to follow MTC's procedures for seeking allocation and reimbursement of funds; and
- Indemnifies MTC against claims resulting from performance of services funded with this allocation. This is consistent with language required of other grant agreements and does not shift any new risk to the WETA.

Fiscal Impact

This item establishes the FY 2011/12 operating budget for the South San Francisco ferry service. It also supports the application for \$200,000 FY 2011/12 RM2 operating funds for the service.

END

Attachment 1

San Francisco Bay Area Water Emergency Transportation Authority South San Francisco Ferry Service FY 2011/12 Operating Budget

Expenses	<i>(1 month)</i> Proposed Budget FY 2011/12	<i>(12 months)</i> Projected Expense FY 2012/13	<i>(12 months)</i> Projected Expense FY 2013/14
Purchased Transportation:			
Vessel Operations	148,470	1,865,490	1,959,620
Vessel Maintenance	41,620	515,240	540,230
Operator Fees	24,080	236,430	249,400
Subtotal Purchased Transportation	214,170	2,617,160	2,749,250
Direct Expenses:			
Vessel Operations and Maintenance	17,260	144,040	144,530
Terminal Operations and Maintenance	11,030	163,260	168,240
Management Oversight / Admin Expenses	7,540	349,540	352,980
Subtotal Direct Expenses	35,830	656,840	665,750
Total Expense	250,000	3,274,000	3,415,000

Revenues	<i>(1 month)</i> Proposed Budget FY 2011/12	<i>(12 months)</i> Projected Expense FY 2012/13	<i>(12 months)</i> Projected Expense FY 2013/14
Fare Revenue	50,000	731,140	758,440
Regional Measure 2	200,000	2,542,860	2,656,560
Total Revenue	250,000	3,274,000	3,415,000

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve On-Call Dredging Consulting and Construction Management Services List and Authorize the Executive Director to Enter into Work Agreements

Recommendation

Approve the following actions associated with establishing an on-call list of qualified consultants to provide dredging project management and support services:

1. Approve an on-call list of dredging project support and construction management consultants to be valid for up to five years; and
2. Authorize the Executive Director to execute individual agreements with qualified firms on this list, and take any other such related actions, on an as-needed basis in an amount not to exceed \$150,000 per agreement per year.

Background

Staff anticipates needing to implement a number of dredging projects over the next five years including:

- Harbor Bay (maintenance)
- Vallejo (maintenance)
- Central Bay Operations and Maintenance Facility (new)
- North Bay Operations and Maintenance Facility (new)
- Berkeley Terminal (new)

Contracting with consultants to provide on-call project development and support services would allow WETA staff to efficiently secure specialized services as needed to effectively manage peak workloads and ensure the timely development of active projects in the WETA work program. The selection of a contractor to perform the actual dredging work for each of these anticipated projects will be procured through separate Invitations for Bids (IFBs) issued at future dates for each specific project.

Discussion

On February 16, 2012, the Board authorized staff to release a Request for Qualifications (RFQ) to establish a list of qualified firms to provide dredging project support and construction management services for various anticipated projects in the coming years. The types of work anticipated to be performed by these firms includes, but is not limited, to such items as project development, regulatory compliance, materials sampling, dredge surveys and performance monitoring and management of dredging contractors.

On February 22, 2012, staff issued an RFQ to over 700 firms on the WETA's technical consultant list through email and further solicited interest through notices on the website seeking on-call services for dredging projects.

On March 16, 2012, WETA received a total of seven (7) Statements of Qualification (SOQs) in response to the RFQ from the following firms:

1. Coast & Harbor Engineering
2. Arcadis
3. Ghirardelli Associates
4. Anchor QEA
5. Moffatt + Nichol
6. CLE Engineering
7. Weston Solutions

An evaluation panel consisting of WETA staff reviewed the SOQs and evaluated each firm's qualifications based upon the selection criteria established in the RFQ including proposed approach, previous experience, staffing plan, project schedule and DBE participation. Based upon the information submitted, the panel concluded that the seven firms that submitted SOQs are all qualified to undertake the types of work identified in the RFQ.

Staff recommends selecting each of the seven firms to be included in an on-call list of consultants for dredging services. This list would remain active for five years. As specific services are required, staff would utilize firms on this list based upon the most qualified and available team for the task. Services would be acquired as needed and actual expenditures would be authorized on a task order basis within established annual budget limits. The solicitation process follows WETA procurement procedures and meets state and federal requirements

Fiscal Impact

Funding for on-call dredging consulting and construction management services is included in the FY 2011/2012 operating budget for the first dredging project to move forward (Harbor Bay) and will also be included in future year budgets to support as projects come due. Task order work in any given year will not exceed budgeted funds.

END