

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(September 17, 2008)

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, 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 Chair Johnson, Vice Chair Anthony Intintoli and Director O'Rourke. Vice Chair Intintoli led the Pledge of Allegiance. Director Beverly Johnson arrived at 1:25 p.m. and Director Bellows arrived at 1:35 p.m.

2. REPORT OF BOARD CHAIR

Chair Johnson noted that WETA counsel Stanley Taylor was recuperating from surgery and wished him a speedy recovery. She reported that the August 29th Board Retreat had been successful and that she hoped another retreat would happen in the near future. She also noted that Board meetings would be held on a more regular schedule and after some discussion it was resolved that meetings would be held on the first Thursday of the month.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Jon Stanley noted that WETA had not received any updates from Sacramento regarding SB1093 but that there had been no indication that the budget bill awaiting signature by the Governor would adversely affect WETA.

Mr. Stanley reported that staff had met with BCDC regarding the South San Francisco terminal and that there had been a few remaining questions on the seismic design criteria that staff would respond to as soon as possible. He also reported that a staff meeting with SUASI went well and that it appeared that some funding would be available through SUASI to support WETA's Emergency Plan development.

Mr. Stanley also reminded the Board that the next WETA Community Advisory Committee meeting was scheduled for October 29 and that the last Lunch for the Office Bunch promotion of the year would be held on Friday, September 19th.

5. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar which included the minutes from the August 21 and 29, 2008 Board of Directors meetings and an agreement with Caltrans. Chair Johnson seconded the motion and the item carried unanimously.

6. REPORTS OF STAFF

Mr. Stanley introduced Peter Friedmann and Kathy Beaubien from Lindsay, Hart, Neil & Weigler in Washington, DC who offered a Federal Legislative Report. Mr. Friedmann noted continuing efforts in building a national stakeholder coalition of operators, shipyards and maritime unions

for the coming Congress as well as building a coalition of Congressional supporters. He stated that WETA's takeover of the Alameda and Vallejo systems and evolution into an operator would change the dynamics of the ferry system. He also noted that new challenges such as retrofitting vessels to CARB requirements and terminal expansion in San Francisco have changed WETA's agenda.

Ms. Beaubien discussed the upcoming Transportation Authorization bill, specifically in regard to goals for continuing to increase the Ferry Boat Discretionary Fund and working with the Congressional coalition to include allocations specific to WETA as well as individual projects including the Berkeley terminal, the Vallejo maintenance facility and expansion of San Francisco docking facilities. Ms. Beaubien noted that they would be seeking funding opportunities for WETA's Emergency Response role but that is unlikely funds would be available in the Transportation bill and may need to be sought through other legislation. She added that funding for retrofitting vessels to meet CARB and ADA requirements may also not be available in the Transportation bill but that that they would continue to seek funding elsewhere.

Vice Chair Intintoli asked if the Transportation bill could be a source of operating funds. Ms. Beaubien replied that that was highly unlikely as the Transportation bill does not even provide sufficient maintenance funding for transit. Mr. Friedmann added that due to increased fuel costs transit agencies nationwide are in crisis and that the Transportation bill doesn't even begin to cover these operating costs. He added that focusing efforts on maximizing the Ferry Boat Discretionary Fund and allocations to WETA make sense because WETA will have more flexibility with those funds. He noted that WETA has strong advocates in the Congressional delegation including Congresswoman Jackie Speier, Congresswoman Barbara Lee, Senator Patty Murray and Speaker Nancy Pelosi and that WETA's project continues to be the largest opportunity for growth in maritime labor in the nation. Mr. Friedmann added that any opportunities WETA Board members can take to meet with members of the Congressional delegation when they are in the region would be helpful. He added that any opportunities to take them aboard the new vessels would be sure to leave an impression.

Public Comment:

Michael Bernick of the Milken Institute noted that he works with four of the cities where service is planned and asked how they could help. Mr. Friedmann said that any way the cities can engage members of the delegation would be welcomed. Chair Johnson said that finding sources of operational funding would be helpful. Mr. Bernick noted that this was a priority for several of the cities. Mr. Friedmann suggested that city representatives' participation in any events taking place with members of the Congressional delegation on the new boats would help show local support for the projects.

Public Comment:

Veronica Sanchez of Masters, Mates and Pilots and Marina Secchitano of IBU offered their continued support. Ms. Sanchez asked if alternative energy used to power terminals would make any funding available to WETA from the Energy bill. Mr. Friedmann replied that efforts continue to expand eligibility for ferry projects including sources of funding for alternative energies.

Director O'Rourke asked if board members could be provided with talking points. Mr. Stanley noted that staff was preparing a list of talking points and Mr. Friedmann added that he would assist in tailoring them as talking points would be slightly different for different members of the delegation.

7. AUTHORIZE THE METROPOLITAN TRANSPORTATION COMMISSION TO ALLOCATE AN ADDITIONAL \$1.9 MILLION REGIONAL MEASURE 2 FUNDS TO SUPPORT FY 2008/09 VALLEJO FERRY OPERATIONS

Deputy Director of Finance and Administration Nina Rannells presented this item to authorize MTC to allocate additional funding for Vallejo ferry operations. She gave an overview of the decline in Vallejo ridership that has been attributed to increased fares in the face of increased fuel costs. She noted that this was a one year action that would allow Vallejo to reduce fares starting in November.

Public Comment:

Gary Leach, Vallejo Public Works Director expressed thanks to Ms. Rannells and the WETA Board for working together on the allocation and invited members of the Board and staff to participate in a press conference announcing the allocation.

Chair Johnson asked if this would impact the Transition Plan. Ms. Rannells said it would not directly impact the plan but would give WETA a clearer picture regarding the sustainable level of service over time.

Director Johnson asked what else this money could be used for. Ms. Rannells noted that this RM2 funding could only be used for operations and that if it is not used it would be allocated by MTC to other projects. Director Johnson also asked if it would be sufficient for getting Vallejo ferry operations through the year. Ms. Rannells said that based on budget projections with fuel at \$4.50 a gallon it would be. Mr. Leach noted fuel costs were currently \$3.50 a gallon.

Vice Chair Intintoli pointed out that there were many refineries in the area and wondered if a larger ferry system under WETA would be able to negotiate lower fuel prices. Director Johnson and Ms. Secchitano both agreed that this was something to pursue.

Manager of Marine Engineering Mary Culnane noted that a few years ago, per a request by then-WETA Director Secchitano, she researched the idea of a Fuel Pool whereby WETA would seek a favorable fuel supply contract based on the annual "pooled" bunker consumption quantities of all of the interested Bay Area ferry operators. One refinery in the Bay Area was interested in pursuing this idea. Once WETA is actively operating this Fuel Pool initiative would be continued. Chair Johnson asked if hedging was an option and Ms. Culnane explained that WETA does not have the resources to participate in a hedging program (trading on the futures market.)

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

8. APPROVAL OF SELECTION FOR THE TRANSITION PLAN CONSULTANT SERVICES CONTRACT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE THE AGREEMENT

Ms. Culnane presented this item regarding selection of a Transition Plan consultant. She reviewed the evaluation process and the recommendation of Arup for the contract.

Director Johnson asked if the selection panel all agreed on the Arup recommendation and Ms. Culnane replied that it was unanimous.

Public Comment:

Marina Secchitano of IBU asked when the plan would be completed and implemented.

Ms. Culnane noted that SB 1093 required completion by July 1st. Mr. Stanley further clarified that July 1st was the deadline for completing the plan itself, and that the plan would include implementation dates.

Chair Johnson asked if there would be any problem getting the plan done by July 1st. Ms. Culnane replied that July 1st was the required completion date and that it would be met. Director Johnson asked who would formally adopt the plan. Ms. Culnane replied that all parties involved would be part of the review process but that it will be WETA Board that adopts the plan. She further noted that WETA and Arup would be meeting on September 30th and would provide a more detailed schedule for the planning process.

Public Comment:

Veronica Sanchez of Masters, Mates and Pilots noted that a detailed schedule would be helpful in order to coordinate input on the plan from the public and stakeholders. Ms. Culnane said a schedule would be provided once available and that public meetings would start in January.

Director Bellows asked if Ms. Culnane felt the plan was under funded. Ms. Culnane clarified that funding was adequate for creating the plan as required. Vice Chair Intintoli asked if the cost might exceed the \$150,000.00. Ms. Rannells replied that \$150,000 is available to support the contract contemplated for award, but that a total of \$600,000 is available to support WETA, city staff and consultant work required to develop the plan.

Mr. Stanley reiterated that staff would bring a more detailed schedule for the Transition Plan when available. Director O'Rourke asked how the RFP had been released. Ms. Culnane replied that it had been released per the WETA Administrative Code including mass distribution to a list of consultants and publication on the WETA website.

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

9. AUTHORIZE RELEASE OF A RFP FOR EMERGENCY WATER TRANSPORTATION SERVICE(S)

Manager of Operations Keith Stahnke presented this item regarding an RFP for Emergency Services contracts, noting that entering into such contracts before an actual emergency will provide WETA with helpful information about available vessels and save time in the event the vessels are needed. He noted that several operators had indicated that they would be receptive to the emergency services contracts.

Vice Chair Intintoli asked for examples of who these operators might be. Mr. Stahnke listed Blue & Gold, Red & White, Signature and Hornblower as interested parties that represent the bulk of available passenger vessels in the bay but noted the RFP would be available to all operators.

Public Comment:

Veronica Sanchez of Masters, Mates and Pilots requested that prevailing wage language be included in the RFPs in order to avoid the potential of outside operators undercutting local operators. Chair Johnson replied that WETA counsel Stanley Taylor had stated that sufficient language was already included. Danielle Gensch of Nossaman added that such language was included as statutory requirement for any public agency operating public service.

Public Comment:

Marina Secchitano of IBU suggested that the language should be added to completely spell out this requirement to avoid any doubt. Ms. Gensch agreed that for clarity the language could be included. Director O'Rourke added that penalties should also be listed directly in the contract. Mr. Stahnke stated that he would continue to work with Ms. Sanchez on clarifying the prevailing wage language.

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

10. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 2:55 p.m. Upon reopening of the meeting at 3:20 p.m. she reported that no action had been taken.

11. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:20 p.m.

Respectfully Submitted,

Board Secretary
