

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(May 1, 2008)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the offices of the San Francisco Bay Conservation & Development Commission, 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 Chair Johnson, Vice Chair Anthony Intintoli and Director John O'Rourke. Director Gerald Bellows arrived at 1:11 p.m. and Director Beverly Johnson arrived at 1:34 p.m.

2. REPORT OF BOARD CHAIR

Chair Johnson introduced Director John O'Rourke and welcomed him to the Board.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Steve Castleberry gave a brief background of SB1093 and reported on recent staff activity regarding this cleanup legislation, including ongoing discussions with representatives of the cities of Vallejo and Alameda. Mr. Castleberry stated that he expects work on the bill to conclude soon for submission to the legislature.

Director Bellows asked about the status of the Administrative Code. Mr. Castleberry responded that it is currently under revision by staff and that it is expected to be presented to the Board at the next meeting. Mr. Castleberry added that a report on WETA staff benefits will be incorporated as part of an annual audit to meet GASB requirements.

5. CONSENT CALENDAR (Item 6)

Vice Chair Intintoli made a motion to approve the minutes from the March 31, 2008 Board of Directors meeting. Director Bellows seconded the motion and the item carried unanimously.

6. ACTION ITEM – AUTHORIZE CONTINUED USE OF WATER TRANSIT AUTHORITY NAME

Chair Johnson noted that this item had been withdrawn from the agenda.

7. ACTION ITEM – AUTHORIZE NAME CHANGE AND SIGNATURE AUTHORITY FOR LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT

Deputy Director of Finance and Administration Nina Rannells presented this item regarding a change of agency name and signature authority on the LAIF account required in order to facilitate the transfer of WTA financial reserves to WETA. Ms. Rannells noted that changes to the LAIF account required authorization by the Board.

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

8. ACTION ITEM – APPROVE AMENDMENT NUMBER 8 TO THE AGREEMENT WITH NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP (NGKE) FOR THE PROVISION OF LEGAL SERVICES

Mr. Castleberry presented an amendment to the NGKE agreement for legal counsel, noting that both the WETA transition and Nichols Brothers bankruptcy had resulted in unanticipated expenses for FY 2007/08. Mr. Castleberry further noted that staff would bring back an annual contract amendment for legal services in FY 2008/09 at the following meeting to cover the upcoming fiscal year.

Director Bellows asked if the contract for legal services required a bidding process. Mr. Castleberry responded that NGKE had originally been contracted through a bidding process in 2004 but that the contract could be put out for bid again at the Board's discretion. However, he added that if the Board felt that this was appropriate that his recommendation would be to wait until the following fiscal year as it takes several months to go through the RFP process to secure services and the new fiscal year is coming up.

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

9. ACTION ITEM – APPROVE PROPOSITION 1B PROGRAM OF PROJECTS AND AUTHORIZE AGENCY OFFICIALS TO EXECUTE PROGRAM REQUIREMENTS

Ms. Rannells presented an item requesting the Board to approve a list of Proposition 1B program projects for submission to the Office of Homeland Security and to authorize staff to execute grant program actions. Ms. Rannells noted that the project submittal and selection process had been placed on a condensed schedule by OHS in order to meet the State's bonding schedule for the upcoming year.

Vice Chair Intintoli noted that there is a need for terminals that can serve as reception areas during emergency evacuations of San Francisco and that Vallejo is well suited for such terminals due its proximity to hospitals and services. He mentioned that the need to consider such terminals was important to avoid a scenario similar to that of the Superdome in the aftermath of Hurricane Katrina.

Director O'Rourke asked for an overview of the WETA project procurement process and if prevailing wages applied to these projects. Mr. Castleberry noted that the guidelines are established by the WETA Administrative Code and gave a general overview of the process. He stated that the process varied by project type but that in each case Board approval is required. He also noted that most contracts require prevailing wage since most of WETA's projects would include federal funding. Additionally, Mr. Castleberry advised that staff would be bringing the DBE plan to an upcoming meeting and that Manager of Community Relations Shirley Douglas and Manager of Planning and Development John Sindzinski have conducted extensive outreach to encourage DBE bidding for WETA projects.

Vice Chair Intintoli recalled that a Board retreat had been helpful in the past and suggested that now may be an opportune time to hold another. Mr. Castleberry agreed, noting that with projects breaking ground soon and new Board appointees that a retreat could be helpful. Chair Johnson agreed.

Chair Johnson asked about costs for the South San Francisco terminal project. Ms. Rannells replied that new expenses including the viewing terrace required by BCDC as part of the

permitting process created a \$5 million funding gap. Director Bellows asked if the projects on Attachment A were only partially funded. Ms. Rannells clarified that the attachment only lists the recommended Prop 1B amount and the total project cost, and that this particular chart was not intended to show funding status of individual projects. She furthered offered to go through each project and address any questions regarding funding status. Mr. Castleberry added that some projects are completely or nearly funded. Chair Johnson asked where the money for these projects is held. Ms. Rannells replied that the funding is reimbursed to WETA incrementally after it is spent. Mr. Castleberry noted that this was problematic and that WETA is seeking a solution but that the best long term solution would be legislative.

Director Johnson asked about the high project cost of the Vallejo maintenance facility. Mr. Castleberry said that the facility required extensive work in order to provide fuel tanks and berthing for four to six additional vessels. Director Johnson noted that this could be included in the transition plan. Mr. Castleberry indicated that the facility will be important in any case.

Director Bellows asked if WETA was pursuing Port Security funding from OHS. Mr. Castleberry indicated that this was something that is being watched carefully but that OHS funding was only available for ferry systems with current operations and that it did not yet apply to WETA. Director Bellows asked if the South San Francisco terminal could qualify for receiving OHS funding. Mr. Castleberry replied that this funding would not generally apply to terminals and would require a specific need. Director Johnson asked if this funding should be applied for now for Alameda/Oakland as part of the transition plan. Vice Chair Intintoli suggested that the Board should visit Vallejo and Alameda sites soon to assess issues related to the transition plan. Chair Johnson asked if there were any outstanding issues regarding San Mateo County Harbor District (SMCHD). Mr. Castleberry responded that there is an outstanding issue between California Boating and Waterways and SMCHD but that it should be resolved soon. Chair Johnson indicated that she had received a letter from Boating and Waterways indicating a payment due from WETA. Mr. Castleberry asked that she please forward the letter to WETA.

Public Comment:

Mr. John Kaltenstein of Friends of the Earth spoke on the possibility of incorporating sustainable features in WETA projects. Mr. Castleberry noted that any vessels built by WETA are legislatively mandated to meet 85% Tier 2 emission standards and that they are the cleanest vessels of their kind in the US and possibly the World. Mr. Sindzinski added that contractors are asked to include green construction elements in their projects, and while these were not included in the South San Francisco project they will be at the forefront of the Berkeley/Albany terminal construction.

Mr. Gary Leach, Vallejo Public Works Director, reiterated Mr. Castleberry's earlier comments that meetings regarding SB 1093 had been productive and are positive first step toward the transition.

Director Johnson asks if LEED certification would be appropriate for terminal construction projects. Mr. Sindzinski noted that certification may include significant added expense to projects. Director Johnson noted that expenses had come down significantly and noted City of Alameda's library project. Mr. Castleberry noted that there were many terminal projects yet to come and that opportunities to include green building practices and certifications would be examined on an ongoing basis.

Hon. Joanne Ward, Mayor of Hercules, thanks WETA for its support of \$1.5 million for its new terminal design and noted that rail terminal improvements would be starting soon.

Mr. Alan Wolken, Director of Richmond Community Redevelopment Agency, thanks WETA for their interest in potential maintenance facility sites and for getting the environmental document process started. Mr. Castleberry noted that Richmond stands out for sharing project costs with WETA.

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

**10. INFORMATIONAL PRESENTATION –SOUTH SAN FRANCISCO TERMINAL
PROJECT UPDATE**

Mr. Castleberry introduced a presentation by Mr. Sindzinski, who reviewed the status of terminal construction, including site preparation, dredging, pile driving and pier construction, construction of the float, and necessary repairs at the Jack London Square terminal. Vice Chair Intintoli asked who would be responsible for the dredging. Mr. Sindzinski responded that dredging was included in the lease for the terminal and that disposal had been taken care of at a substantial savings for WETA.

Director O'Rourke asked if there would be solar panels on the terminal. Mr. Sindzinski indicated that the possibility had been extensively examined but shelved for this particular project. Mr. Castleberry added that terminals do provide an opportunity for solar and that it will continue to be investigated. Director O'Rourke added that the addition of solar panels could provide an opportunity to partner with a power provider.

Director Johnson suggested that WETA continue to keep alerted to opportunities for dredging disposal. She added that she felt it could be a mistake not to have green terminals in mind, and that the Board should adopt a policy specifying LEED certification or other green requirements. Mr. Sindzinski noted that green practices could be applied through contractual requirements without a formal LEED certification. Director Johnson said that this should not be left to contractors. Mr. Sindzinski added that WETA could receive points by virtue of being a public transit project and using recycled materials in construction. Mr. Castleberry noted the importance of keeping the South San Francisco project online but that it was appropriate for the Board to adopt a formal policy. Director O'Rourke added that requirements could be included in RFPs. Director Johnson added that grants may be available for LEED certified projects in Alameda County.

Public Comment:

Hon. Pedro Gonzales, Councilmember, City of South San Francisco, spoke on the viewing platform design change to the South San Francisco project and expressed his hope that the project will begin soon. He also noted that South San Francisco has worked very hard on solar power projects with the assistance of PG&E.

**11. INFORMATIONAL PRESENTATION – INTERIM USE AND RELEASE OF RFP FOR
WARRANTY PERIOD BAREBOAT CHARTER AGREEMENT FOR GEMINI AND
PISCES**

WETA legal counsel Mr. Stanley Taylor III introduced himself to the Board and advised Director Johnson to refrain from commenting on this item due to potential 1090 conflict. Chair Johnson noted that this item has been changed to a non-action item for today.

Manager of Marine Engineering Mary Frances Culnane noted that vessels Gemini and Pisces will be delivered early and under budget and that the vessels should be put into operation as

soon as possible in order to exploit the benefits of the Warranty Period. She noted that several operators would have suitable routes and would love to run the boats. Ms. Culnane added that Bareboat charters would be at almost no cost to WETA. Director Bellows asked why there would be any cost at all if WETA leased the vessels. Ms. Culnane noted that operational costs for the vessels were higher due to cost of urea and other factors. She added that charter options for the vessels were also available and that in any case it is imperative that the boats be utilized as soon as possible after delivery and urged the Board to take action on the item. At this time Chair Johnson pulled the item from further discussion or public comment.

12. INFORMATIONAL PRESENTATION – MAINTENANCE & BERTHING FACILITY UPDATE

Ms. Culnane presented a history and status report on options for maintenance and berthing facilities including locations at Richmond, Alameda Point and Pier 70 as well as the option of a maintenance barge. Vice Chair Intintoli asked about the relationship between these plans and the existing Vallejo facility on Mare Island and noted that it would be important to have a facility outside of San Francisco in an emergency. Ms. Culnane replied that Mare Island is a great option but that the distance of the location from San Francisco would result in increased costs due to deadheads. Manager of Operations Keith Stahnke added that fuel costs are also a significant issue. Mr. Castleberry stated that there need not be one maintenance facility and that like the Washington State Ferry system, it is likely that several facilities would be needed to support a service area the size of the Bay Area.

Public Comment:

Josh Genser of the Richmond Development Company spoke on the possibility of leasing an area at the Port of Richmond with five graving docks and that a lease would finance the restoration of historic buildings at the Port. He said he thought the facility could be ready this year if the city took action and thanked WETA for its interest.

13. ACTION ITEM – AWARD OF CONSULTANT CONTRACT FOR ENVIRONMENTAL REVIEW AND CLEARANCE SERVICES FOR THE WETA BERTHING AND MAINTENANCE FACILITY

Mr. Sindzinski presented a resolution to approve Jones and Stokes an award to undertake environmental reviews and clearances regarding the proposed maintenance facilities. Director Bellows asked if Jones and Stokes was selected from a pre-approved list of environmental consultants and if other firms were considered. Mr. Sindzinski noted that Jones and Stokes is included in the new list of qualified environmental consultants Jones and Stokes was selected for this contract in the spirit of keeping with the intent of the WTA Board's 2005 award for the original berthing and maintenance environmental review services, the contract that had not been finalized. Mr. Castleberry further clarified that Jones and Stokes had been reselected to be on WETA's list of pre-qualified environmental consultants. Vice Chair Intintoli asked if the contract would be exclusive. Mr. Sindzinski replied that it would not be. Director Bellows asked if the contract was for \$1 million. Mr. Sindzinski replied that that contract award was for \$500,000. Director Johnson asked for further clarification of the pre-qualified consultant list and Mr. Sindzinski and Mr. Castleberry explained the process in detail. Director O'Rourke asked how bids were considered if the scope of projects are not specific. Mr. Sindzinski explained that pre-qualified list was based on a firm's qualifications including expertise, relationships with subcontractors and local issues and not based on bids. He added that after a contract award, actual amounts are further negotiated. Mr. Castleberry further noted that the budget amount is not paid out in full but rather that WETA maintains tight control on payments over the course of the contract.

Public Comment:

Mr. Gary Leach commented that any plans regarding the Mare Island maintenance facility need to be incorporated into any maintenance facility plans as soon as possible.

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

14. ACTION ITEM – RELEASE OF RFQ FOR EMERGENCY PLANNING SERVICES AND AGREEMENT WITH WILLIAM MCCAMMON

Mr. Castleberry requested the Board to approve a motion to release an RFQ for Emergency Planning Consulting Services and an agreement with William McCammon and noted Mr. McCammon's qualifications and the need for assistance to WETA staff in developing the Water Emergency Transportation System Management Plan. Director Bellows noted Mr. McCammon's qualifications and asked for clarification on the scope of work. Mr. Castleberry replied that services would include an on-call review of RFQ, participation on the selection committee and payment for time and materials. Director Johnson added that this was the right idea and that there is a need for an emergency response plan. Vice Chair Intintoli added that as part of the plan, coordination with the Alameda Joint Powers Authority should be looked into.

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

15. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 3:25 p.m. Upon reopening of the meeting at 3:50 p.m. Chair Johnson reported that the effective date of Mr. Castleberry's resignation had been revised to May 15. No other action was taken.

16. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:55 P.M.

Respectfully Submitted,

Board Secretary
