

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

*(October 2, 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 1:00 p.m. Directors present were Chair Johnson, Vice Chair Anthony Intintoli, Director Gerald Bellows, Director John O'Rourke and Director Beverly Johnson. Director Bellows led the Pledge of Allegiance.

**2. REPORT OF BOARD CHAIR**

Chair Johnson had no report but asked about the status of the glass walls of the conference room. Executive Director Jon Stanley replied that the glass could be removed but that staff needed to get a quote on the removal costs and would explore options for expanding the room.

**3. REPORT OF DIRECTORS**

None.

**4. REPORTS OF STAFF**

Mr. Jon Stanley advised the board that the vessels were still on schedule for delivery, and that plans for a celebration to commemorate the arrival of *Gemini* were underway. Mr. Stanley said that he anticipated the arrival date to be approximately December 11th depending on weather conditions.

Mr. Stanley also reported that staff met with the San Mateo County Transit Advocates on October 1st and that support remained strong in the South Bay for both the South San Francisco and Redwood City ferry services. He also reminded the Board that the next WETA Community Advisory Committee meeting would be held October 29th.

Mr. Stanley added that staff had met with the Transition Plan consultant and that all the players would be meeting on Thursday, October 9th for the kickoff meeting. Staff also met with the Regional Administrator of the State Office of Emergency Services, Coastal Region, and with the San Francisco Department of Emergency Management as part of WETA's outreach to the organizations who would be involved in the development of the Emergency Plan.

Additionally, Mr. Stanley stated that the RFP for the Emergency Plan consultant had been issued and responses were due on October 15th. Director Johnson asked how many proposals were expected. Mr. Stanley answered that he had no idea how many would be received but that the notice had been widely distributed to a list of technical contractors.

Mr. Stanley added that staff had a follow up meeting scheduled with SMCTA on October 14th to resolve the Measure A issue with respect to timely receipt of funds to support the South San Francisco terminal construction.

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Mr. Stanley then congratulated Manager of Marine Engineering Mary Culnane on receiving a "Public Service Commendation" from the U.S. Coast Guard for her service to the National Maritime Security Advisory Committee from December 2004 through the end of this year. He quoted the commendation as follows: "Ms. Culnane's dedication and leadership have been critical to the successful implementation of NMSAC and have ensured its viability in providing the Coast Guard and DHS with the information and guidance they need to be successful in securing the Nation's Marine Transportation System. Her contributions are most heartily commended and are in keeping with the highest traditions of the United States Coast Guard."

#### **5. REPORTS OF STAFF**

Mr. Stanley introduced Barry Broad of the firm Broad and Gusman in Sacramento, who gave a State Legislative Report. Mr. Broad reviewed the status of the state budget which had been passed a record 80 days late by the Legislature and had just been signed by the Governor. He noted that the budget had rolled over a \$15 billion deficit to next year's budget and summarized the challenges which could be expected in the 2009 budget negotiations.

Mr. Broad reported that one of the biggest losers in the 2008 budget was public transit funding. He explained that increased funds had been received for transit from the gas tax but that the Legislature had, for the second year running, reallocated all the money above previous funding levels despite the fact that transit ridership had been growing. He stated that although this had not directly affected WETA, it indicated a low regard for transit priorities by the Governor and Legislature. Fortunately for WETA, Proposition 1B was fully funded, and WETA would also be eligible for \$25 million for capital expenditures per last year's SB 88. Additionally, Mr. Broad reported on the status of SB 1093, "cleanup" legislation that clarified and expanded on last year's SB 976. The bill was awaiting signature by the Governor.

Lastly, Mr. Broad commented on the need for WETA to continue to reach out for additional support in the Legislature as Senator Don Perata would be termed out at the end of the year. He reviewed members of the Bay Area delegation who may be potential allies and highlighted the need to share with them WETA's vision and to grow their support in the face of what is likely to be a deepening budget crisis in the coming year.

In light of the Governor not signing bills, Vice Chair Intintoli asked if Mr. Broad thought the confirmation process for board members would be affected. Mr. Broad answered that the process can take up to a year and that if there was no controversy it would likely go on a Senate Rules Committee consent calendar and that there should not be any issues. Mr. Broad said he would check in on the status of confirmations in January.

Director Johnson asked if after the recess the Legislature would go back to dealing with the deficit rollover and balancing the budget. Mr. Broad answered that it is an easy process to put off. Director Johnson asked if a state could go bankrupt. Mr. Broad replied that it could.

#### **Public Comment:**

Michael Bernick noted that he works with four of the cities where service is planned and noted all were eager to help. He asked about the \$25 million available from SB 88 and if there was the potential for more funding from this source. Mr. Broad noted that it was limited due to the \$100 million bond measure and WETA only being eligible for 25% of that. He also noted that if too much is built too quickly with capital funding that a lack of operating funds are likely to become an issue. Mr. Bernick said that he agreed that operational funding was an issue but that building momentum through capital funding is key as well.

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Public Comment:

Veronica Sanchez of Masters, Mates and Pilots asked regarding SB 88 if no bonds sell if WETA would still be able to receive the funds. Mr. Broad replied that if revenue is down then it will be unlikely that more are sold and that that could become an issue but it was best to wait and see for now.

At this time Mr. Stanley introduced Manager of Community Relations Shirley Douglas, who reported on plans for a series of celebrations surrounding the impending arrival of *Gemini*. She reviewed three main welcoming events: a chartered vessel to greet *Gemini* as she passed under the Bay Bridge, an Open House/Holiday celebration, and a Christening and Launch Ceremony. Ms. Douglas said the efforts would soon be underway to reach out for funding through sponsorships by WETA contractors/partners.

Vice Chair Intintoli asked why three different events were planned. Ms. Douglas responded that this was the range of what was being considered and that final plans may not include all possibilities.

Public Comment:

Marina Secchitano of IBU said she thought it sounded like a great event and asked what time it would be held. Ms. Douglas responded that because of the uncertain arrival date due to weather, times must remain flexible until the date gets closer.

Director Johnson suggested a public christening ceremony followed by a smaller private party the same day, then asked for clarification on the anticipated arrival date. Manager of Marine Engineering Mary Culnane stated that delivery was contracted for no later than 12 December or there would be a late fee assessed of \$3000. Ms. Culnane added that sea trials would be commencing in Seattle on 10 November and that *Gemini* would likely depart Seattle around Thanksgiving.

Chair Johnson added that she was eager to see *Gemini* after all this time. Ms. Culnane added a suggestion of viewing the speed trials in the bay before the vessel went to drydock. Ms. Douglas said that she would consider the various options recommended.

**6. CONSENT CALENDAR**

Director Intintoli made a motion to approve the minutes from the September 17, 2008 Board of Directors meeting. Director O'Rourke seconded the motion and the item carried unanimously.

**7. APPROVAL OF SPARE VESSEL UTILIZATION PLAN AND AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE ASSOCIATED AGREEMENTS**

Manager of Marine Engineering Mary Culnane presented this item regarding the Spare Vessels Utilization Plan. She gave a detailed background for the benefit of the newer board members regarding the timeline for vessel construction and why the first two vessels, designated as Spare Vessels, preceded construction of the designated South San Francisco vessels.

Ms. Culnane then noted that when it became apparent that South San Francisco service would not be ready in time for the arrival of the Spare Vessels, staff began looking for alternative uses of the boats. Staff had reviewed several of the preliminary options that had been considered and noted that the passage of SB 976 and SB 1093 gave WETA a clear option to place the Spare Vessels into service with Alameda/Oakland or Harbor Bay Ferry Service, as these new vessels were designed for a transbay service route and that a couple of the currently operating

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vessels were in need of a break. She noted that with the pending assumption of these services it was logical for WETA to invest in what will become its future responsibilities.

Ms. Culnane added that considerable preparation would be required in order to place these vessels into service and that Deputy Director of Finance and Administration Nina Rannells would be addressing this in a separate action item. Ms. Culnane noted that she and Ernest Sanchez, manager of Alameda's ferry operations, had worked out a Bareboat Charter agreement which was with Alameda's respective legal council for review. The Charter would result in Gemini being placed into AOFS in December and Pisces being placed into HBFS in March. She urged the Board to approve the item.

Director Johnson asked if the agreement only needed to be finalized or if the City of Alameda had any concerns. Ms. Culnane replied that WETA was only waiting on the City to take action and for the Board to approve the current item and the reimbursable process. Vice Chair Intintoli asked that since the item was asking for authorization for the Executive Director to execute the agreements, was it correct that the agreements themselves would not be coming back to the Board for approval. Ms. Culnane confirmed that this was the case and that the authorization included the charter agreements for both boats as well as the Memorandum of Understanding. WETA legal council Stanley Taylor confirmed that the authorization was allowable within the limits stated by the item.

Director Bellows asked if there would be any reimbursement for use of the boats. Ms. Culnane clarified that that would be handled under the MOU but not to expect any reimbursement as ramping and other items will be additional expenses for the operators. She also noted that WETA would require some of these improvements in the future in any case. Director Bellows stated that providing new vessels to the operators was a benefit to them as well. Ms. Culnane agreed but said that on the operators' balance sheets they will be an additional operational expense in a time when the operators are already running in the red.

Public Comment:

Reinhard Ludke of C & D Engineers asked if changes would be required for terminals and berthing and if so who would incur those costs. Ms. Culnane responded that Alameda would contract out for those services and would be reimbursed by WETA

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

**8. AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR \$750,000 FY 2008/09 REGIONAL MEASURE 2 (RM2) OPERATING FUNDS TO SUPPORT SPARE VESSELS PROGRAM**

Deputy Director of Finance and Administration Nina Rannells presented this item for approval as a follow up to the Spare Vessel Utilization Plan Item. Ms. Rannells stated that WETA would be eligible to receive up to \$15.3 million RM2 operating funds annually to support ferry operating activities in FY 2008/09, and that \$4.6 million of these funds had been allocated to be used to support ongoing Vallejo operations but the balance had yet to be allocated.

Ms. Rannells added that in order to ensure that funds are available for these and other expenses that might arise, staff recommends requesting an allocation of up to \$750,000 RM2 funds to support the Spare Vessels program in FY 2008/09. These funds would be provided by MTC on an as-needed basis.

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

**9. AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR \$600,000 FY 2008/09 REGIONAL MEASURE 2 OPERATING FUNDS TO SUPPORT TRANSITION EXPENSES**

Ms. Nina Rannells presented this item to authorize filing an application with the Metropolitan Transportation Commission (MTC) for \$600,000 FY 2008/09 RM2 operating funds to support transition plan and transition-related expenses. She noted that Senate Bill 1093 allowed up to \$600,000 in FY 2008/09 RM2 operating funds to be used to support development of a transition plan and for transition-related costs associated with consolidating City of Vallejo and City of Alameda ferry services under WETA, and that it was anticipated that these funds would be needed to support City of Alameda, Port of Oakland, City of Vallejo and WETA staff and consultant expenses directly associated with the development of the transition plan and associated agreements. Ms. Rannells added that other anticipated expenses included costs associated with public hearings and other outreach efforts associated with the plan development.

Public Comment:

Veronica Sanchez of Masters, Mates and Pilots asked for a timeline regarding the plan. Ms. Culnane noted that copies were available at the sign-in desk.

Director Johnson asked if the funds were for planning or implementation. Ms. Rannells replied that it was for both but that addressing the plan was the current priority.

Director Bellows 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 2:30 p.m. Upon reopening of the meeting at 3:10 p.m. she reported that she reported that direction had been given to staff regarding real property negotiations. No action had been taken.

**11. ADJOURNMENT**

All business having concluded, the meeting was adjourned at 3:10 p.m.

Respectfully Submitted,

Board Secretary

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