

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(May 6, 2010)

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 1:04 p.m. Directors present were Vice Chair Anthony Intintoli and Director Gerald Bellows. Vice Chair Intintoli led the Pledge of Allegiance. Directory Beverly Johnson arrived at 1:20 p.m.

2. REPORT OF BOARD CHAIR

Chair Johnson announced the receipt of approximately \$44 million in Proposition 1B funding from CalEMA. She thanked all those who had been involved in helping WETA to secure these payments.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Nina Rannells detailed the joint effort involved in securing the CalEMA payment, noting specifically the engagement of Senator Mark DeSaulnier and the wide base of support demonstrated by a number of individuals and associated agencies such as the Cities of Antioch, Martinez and Richmond, Mike Bernick, the State Buildings and Trade Council, Genentech, the IBU and MMP, WETA's state legislative consultant Barry Broad of Broad & Gusman LLP and others. Chair Johnson reiterated her thanks also noting Mr. Broad and Veronica Sanchez of Masters, Mates & Pilots.

Ms. Rannells clarified that these Proposition 1B funds could only be used for specific capital projects and expenses and that receipt of these funds does not resolve all of the funding issues facing WETA. She noted that these funds were required to be held in separate accounts and had been deposited in Bank of America money market accounts, and added that they were required to be spent within three years of the original allocation date. Ms. Rannells pointed out that while the funds have not effectively been readily available from CalEMA, according to CalEMA staff no adjustments would be made on the pre-established expiration dates. As a result, a portion of the funds could expire as soon as March 2011. Ms Rannells noted that staff is seeking further clarification regarding the expiration dates including seeking a legislative counsel opinion on the matter to determine whether a legislative change will be required to ensure that these funds remain available to WETA for its program of projects.

Ms. Rannells noted that although securing payment of these funds was a major step and would go a long way in supporting most of WETA's capital program, there is still a minor cash flow issue associated with South San Francisco Terminal construction resulting from the reimbursement nature of the San Mateo County Measure A funds. Staff is continuing discussions with MTC staff regarding a loan or private placement bond agreement to address this situation and that staff is also investigating other options to address this issue. She further noted that sufficient grant fund commitments are available to cover the SSF construction contracts on the agenda for award later in

the meeting. She said that she didn't anticipate that cash flow would be an issue for several months and that a discussion and recommended action to address this would be brought back to the board in the next month or two.

Ms. Rannells advised the Board that Taurus has arrived safely in the Bay. Operations Manager Keith Stahnke added that the vessel was in dry dock at Bay Ship & Yacht awaiting an insurance inspection and that it would be ready in time for the christening event on May 17. Manager of Public Affairs Leamon Abrams noted that planning for the May 17 event was moving ahead and that speakers had been confirmed including Congresswoman Barbara Lee, Congressman John Garamendi, CalEMA Secretary Matthew Bettenhausen, Bay Area Council President Jim Wunderman, and Berkeley Mayor Tom Bates.

Ms. Rannells presented a federal legislative update to the Board, reporting on her trip to Washington, DC to participate in lobbying efforts with the Public Ferry Coalition. She noted in particular a meeting with Congressman Jim Oberstar, Chair of the House Transportation and Infrastructure Committee, as well meetings with staff from Senator Barbara Boxer's office and Bay Area congressional delegation staffers with the objective of creating support for an increase in the annual authorization to the Ferry Boat Discretionary program from \$65 million to \$200 million in the next TEA bill.

Ms. Rannells then introduced Mr. Broad, who delivered a state legislative update. Mr. Broad detailed the efforts that went into securing payment of the Proposition 1B funds from CalEMA, noting the meeting with Ms. Rannells, Vice Chair Intintoli and Senator DeSaulnier as well as assistance received from Assemblywoman Fiona Ma and a coalition of WETA supporters from business, labor, and local government and ferry advocacy groups.

Mr. Broad also noted SB 1205, which would create a Bay Area Disaster Recovery Authority under ABAG. Director Johnson suggested that WETA obtain representation with such an agency. Mr. Broad said that the authority's function would be more or less creating a phone tree and its function in the Bay Area seemed duplicative. Ms. Rannells said that her understanding was that it would only be a planning agency with a focus on establishing systems for recovery in areas such as housing.

Chair Johnson and Director Johnson asked for more information about the bill and Ms. Rannells offered to bring an informational item back to the Board.

Mr. Broad then reported on SB 1061, which would create a "bicycle highway" on the western span of the Bay Bridge. He noted that although the bill had not passed through the appropriations committee, transit agencies should keep abreast of the bill's progress as the current language suggested bridge tolls as a source of funding.

Ms. Rannells said that as RM2 was passed with funds earmarked for specific projects, she doubted that these funds could be diverted for use to fund a bicycle lane on the bridge. Mr. Broad noted that due to the state budget crisis there may be challenges to anyone anticipating funding from those sources at all. Director Johnson suggested that WETA stay informed as details develop and to contact the bill sponsor, requesting information about the intent of the legislation if it appeared that the bill threatened to impact WETA funding.

5. CONSENT CALENDAR

Director Bellows made a motion to remove Item 6b, Authorize Update of Signature Authority for LAIF, from the consent calendar. Director Intintoli seconded the motion and the item was agendized as Item 7.

Director Johnson made a motion to approve the minutes from the April 1, 2010 Board of Directors meeting. Vice Chair Intintoli seconded the motion and the item carried unanimously.

6. AUTHORIZE UPDATE OF SIGNATURE AUTHORITY FOR LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT

Vice Chair Intintoli made a motion to amend this item to authorize Chair Johnson as a signatory.

Director Bellows seconded the motion and the item carried unanimously.

7. AWARD OF TERMINAL AND VIEWING TERRACE CONSTRUCTION CONTRACT FOR THE SOUTH SAN FRANCISCO FERRY TERMINAL

Manager of Planning & Development John Sindzinski presented this item requesting the board award by resolution a contract for the construction of the South San Francisco ferry terminal to Power Engineering Contractors, Inc. for an amount not to exceed \$8.6 million and to authorize the Executive Director to negotiate and enter into a contract for this work.

Vice Chair Intintoli asked WETA counsel Stanley Taylor III of Nossaman LLP that if the Board authorizes the Executive Director to negotiate and then enter into a contract if the contract would come before the Board again. Mr. Taylor clarified that the contract was attached to the RFP and that the Board had effectively seen the contract, and that although there may be some modifications through the negotiation process, the authorization allowed the Executive Director to execute the final contract if the negotiations were successful. Vice Chair Intintoli asked that if negotiations were not successful if the award could then be brought back to the Board with a recommendation for the second most qualified bidder. Mr. Taylor said that was correct.

Director Bellows asked if there had been a substantial difference between bids and why Power Engineering had come in lowest. Mr. Sindzinski said that it had been a matter of sharpening their pencils, and that all the bids had initially been close but that Power Engineering had led clearly in the second round. He noted that the firm has significant experience on similar projects, including construction of the breakwater at Oyster Point, the Pier 1 promenade, and design-build for the Stockton Marina, among others, and that their references had been very positive.

Director Johnson asked when the initial cost estimates had been done. Mr. Sindzinski replied that they had been done just prior to going out to bid. Director Johnson said that she wanted to receive regular updates to the Board throughout the process and that if there if there were any savings due to value engineering that the contingency fee be likewise reduced. Mr. Sindzinski said he would keep the Board informed of progress and report back with any substantial changes.

Public Comment

Councilmember Pedro Gonzalez of the City of South San Francisco asked what cost of the terminal would be. Mr. Sindzinski said it would be approximately \$19 million in hard construction. Ms. Rannells noted that with design and environmental work added the total figure was close to \$25 million.

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

8. AWARD OF FLOAT AND GANGWAY CONSTRUCTION CONTRACT FOR THE SOUTH SAN FRANCISCO FERRY TERMINAL

Mr. Sindzinski presented this item to request that the Board award by resolution a contract for the construction of the South San Francisco float and gangway to Manson Construction Company in an

amount not to exceed \$10.5 million and authorize the Executive Director to negotiate and enter into a contract for this work.

Mr. Sindzinski noted that Manson had considerable experience with building concrete floats, stating that although they were common in the northwest that this would be the first of its kind in the Bay Area. He also noted the firm had recently worked on the skyway of the new Bay Bridge, and that similarly to the terminal construction contract award, this award was going to the most technically qualified and lowest bidding firm.

Director Johnson asked if the construction of the terminal and that of the float and gangway were so different that there would be no savings to having the same firm do both. Mr. Sindzinski said that each of the firms had bid on both projects and offered a degree of economy of scale, but that the benefits were not significant enough to outweigh the bids and qualifications of the recommended firms. He added that Manson and Power Engineering had worked closely together before and that the recommendation to use different firms for the two project construction components was not atypical.

Director Johnson asked if any other firms had similar experience in building concrete floats. Mr. Sindzinski said that General had similar if not greater experience but that the review panel did not feel that this experience outweighed the cost difference proposed by Manson.

Chair Johnson asked for an estimate of how many jobs the construction would create and Mr. Sindzinski said he would return with a number for the next meeting.

Public Comment

Charlie Gibson of Manson Construction Company introduced himself to the Board and noted Manson's experience as a family-owned firm in providing concrete floats for Washington State Ferries. He said that he expected WETA would be pleased with the quality and value of their work. He added that firm was proud at the quality of their work and reputation and that they could go back and secure work anywhere they had previously done business.

Public Comment

Ms. Sanchez asked what the source of funding was for both of the South San Francisco terminal construction projects. Ms. Rannells replied that funds for the project included \$15 million from San Mateo County Measure A sales tax, Proposition 1B funding and federal funding. Ms. Sanchez noted that with the federal funding there would be a DBE component to the contracts. Ms. Rannells concurred and agreed that information on the DBE participation would be noted and reported.

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

9. AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT WITH GHIRARDELLI ASSOCIATES

Mr. Sindzinski presented this item requesting approval, by resolution, of an Amendment No. 1 to the professional services agreement with Ghirardelli Associates to increase the not to exceed contract amount from \$500,000 to \$900,000 for South San Francisco ferry terminal construction management services.

Mr. Sindzinski reviewed the history of Ghirardelli's services as owner's representative on the South San Francisco terminal project, the impact of several funding delays to the cost of the services and the value of continuing the contract through the construction phase. He noted that he did not

expect that the full amount would be necessary but that in the event unanticipated issues arose during the construction that it would be advisable to have it available.

Director Johnson asked if Ghirardelli would be responsible for monitoring the construction budget for the project. Mr. Sindzinski replied that both WETA and Ghirardelli would be doing so.

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

10. AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACTS WITH ROMA DESIGN FOR SOUTH SAN FRANCISCO FERRY TERMINAL CONSTRUCTION SUPPORT SERVICES

Mr. Sindzinski presented this item requesting approval, by resolution, of Amendment No. 4 to the agreement with ROMA Design Group for South San Francisco Terminal design services to increase the not to exceed contract amount from \$3,200,000 to \$3,875,000. He noted that the increase was required due to the numerous project delays as well as additional work provided by ROMA in order to respond to site issues and BCDC permitting issues and requests identified during the project development process.

Public Comment

Councilmember Pedro Gonzalez commented that he appreciated low bids but thought amended budgets were acceptable so long as the work was of high quality.

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

11. APPROVE FISCAL YEAR 2010/11 BUDGET

Ms. Rannells presented this item requesting approval by motion of the proposed Fiscal Year 2010/11 Budget per WETA's administrative code.

Ms. Rannells reviewed the major components of the budget including administrative expenses, anticipated costs related to the transition of services from Alameda and Vallejo as well as capital projects. She noted that the budget did not include capital or operational budgets for the services currently operated by the Cities of Alameda and Vallejo as the service transition negotiations were ongoing, but added that a revised budget for FY 2010/2011 would be brought back to the Board prior to service transition to WETA.

Director Johnson asked where WETA obtained its insurance for vessels and asked if cost savings could be achieved by participating in an insurance pool for transit operators. Ms. Rannells replied that the City of Alameda was currently operating all four of WETA's vessels under charter agreements, and that under Alameda's operating structure vessel insurance is provided by their contract operators. She also noted that, through the insurance broker contract authorized by the Board last month, WETA is exploring the option to secure vessel insurance directly in the event that this would save costs in the future. Mr. Stahnke added that there may be some opportunities to participate in a public transit insurance pool, and he would research if marine insurance is available through the transit pool.

Vice Chair Intintoli reiterated his concern that a sufficient amount be budgeted for marketing throughout the transition process. He said that the transition provided a one-time marketing opportunity to increase the ridership on the Vallejo ferries required to make the service work. He added that the increase in bridge tolls occurring during the summer would be an ideal time to market ferry service.

Director Johnson asked when the bridge tolls would be increased. Ms. Rannells responded July 1. Vice Chair Intintoli noted that commuters from Vallejo and Napa pay two bridge tolls to commute to San Francisco.

Ms. Rannells said that she had discussed this issue with Vallejo staff and that they were coordinating a proposal to bring to the WETA Board and MTC regarding a third year of increased RM2 operating subsidy for the service, and that a part of this proposal would include support for a marketing effort focused on capturing new (and previously lost) commute period riders when the new carpool toll becomes effective on July 1. She noted that she would bring this funding request to the Board once a final budget and plan was fully developed..

Director Johnson agreed that the end of free passage for carpools could move riders to the ferry. Vice Chair Intintoli added that the last time fares increased, ferry riders circulated petitions on the ferry to organize carpools and that this could bring those lost riders back. He suggested a slogan "Don't be a fool, ride the ferry."

Returning to the budget, Ms. Rannells noted that the proposed budget includes the addition of one new limited-term staff position to work exclusively on capital project implementation. This position would be under the Manager of Planning & Development and would be paid for from capital program funds.

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

12. AUTHORIZE FILING APPLICATIONS WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR \$4.95 MILLION FY 2010/11 REGIONAL MEASURE 2 OPERATING FUNDS

Manager of Finance & Grants Lynne Yu presented this item requesting Board authorization to file applications with MTC for \$4.95 million for FY 2010/11 Regional Measure 2 operating funds and authorize the Executive Director to execute the associated agreements. She reviewed the background of RM2 and WETA's eligibility noting that the funds would be required for WETA's administrative and planning activities as well as to support the continuing transition of Alameda and Vallejo services to WETA.

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

13. APPROVE AMENDMENT NO. 9 TO THE AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS FOR THE PROVISION OF ACCOUNTING SUPPORT SERVICES

Ms. Yu presented this item to the Board requesting approval to Amendment No. 9 to the agreement with the Association of Bay Area Governments in the amount of \$95,000 for the provision of accounting support services for FY 2010/11 and to authorize the Executive Director to execute the amendment. She noted that ABAG had provided accounting support to WTA and later WETA since March of 2001 in accordance with state accounting practices and also provided for independent financial audit work.

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

14. APPROVE AMENDMENT NO. 13 TO THE AGREEMENT WITH NOSSAMAN, LLP FOR THE PROVISION OF LEGAL SERVICES

Ms. Rannells presented the Board with a request to approve Amendment No. 13 to the agreement with Nossaman, LLP in the amount of \$650,000 for the provision of legal services in FY 2010/11, and authorize the Executive Director to execute the amendment.

Ms. Rannells noted the history of the WETA's relationship with Nossaman and reviewed a breakdown of anticipated legal expenses over the next year including continued transition related expenses as well as support for WETA's capital projects including South San Francisco construction and environmental reviews.

Director Bellows asked if the rate reductions that had been negotiated with Nossaman for the prior contract amendment would continue to remain in effect. Ms. Rannells said that they would.

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

15. APPROVE AMENDMENT NO. 9 TO THE AGREEMENT WITH LINDSAY, HART, NEIL & WEIGLER, LLP FOR THE PROVISION OF FEDERAL LEGISLATIVE REPRESENTATION

Mr. Abrams presented this item requesting that the Board approve Amendment No. 9 to the agreement with Lindsay, Hart, Neil & Weigler, LLP, extending the term of their contract through FY 2010/11 for an amount of \$160,000 and to authorize the Executive Director to execute the amendment. He noted the history of the firm's relationship with the WTA and WETA and their success in securing over \$25 million in funding commitments to WETA projects.

Vice Chair Intintoli asked as a matter of process if contract amendments such as this should go on the consent calendar. Mr. Taylor said that they could. Director Johnson said that she preferred items to be agendaized when possible so that they were more readily visible to the public. Director Intintoli agreed and noted that WETA Board agendas were not typically as full as the one at hand.

Chair Johnson said that she was pleased with the performance of Lindsay, Hart, Neil & Weigler, and looked forward to continued success with the firm.

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

16. APPROVE ON-CALL MARINE ENGINEERING CONSULTING SERVICES LIST

Mr. Stahnke presented this item requesting Board approval of and On-Call Marine Engineering consulting list, authorization for the Executive Director to negotiate and execute individual agreements on an as-needed, task order basis not to exceed \$100,000 per agreement per year, for a period of up to three years per agreement.

Mr. Stahnke reviewed WETA's need for on-call marine engineering services and the RFQ process and noted that maintaining a list of pre-qualified firms would allow WETA greater flexibility and cost effectiveness in covering the various engineering needs that may arise.

Vice Chair Intintoli asked if Marty Robbins had been aware of the RFQ and Mr. Stahnke said that he believed he was.

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

17. AUTHORIZE RELEASE OF A REQUEST FOR QUALIFICATIONS (RFQ) FOR ON-CALL PLANNING SERVICES

Planner/Analyst Michael Gougherty presented this item requesting Board authorization for the release of a Request for Qualifications for On-Call Planning Consulting Services to support WETA staff and program development.

Mr. Gougherty stated that establishing a list of qualified on-call planning consultants represented the most cost effective, efficient way to manage the irregular workloads anticipated during upcoming elements of WETA's work program. He said that the RFQ would result in the creation of an on-call list of consultants to provide planning services that could be called upon on a controlled task order basis.

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

18. AUTHORIZE RELEASE OF REQUEST FOR QUALIFICATIONS (RFQ) FOR FERRY TERMINAL DESIGN SERVICES

Mr. Gougherty presented this item requesting the Board authorize the release of a Request for Qualifications for design services in support of the environmental reviews required to construct new ferry terminals in the cities of Antioch, Martinez, Richmond, and Redwood City.

Mr. Gougherty reviewed the history of these projects and noted that as Proposition 1B funds were available again that conceptual design services were now needed in order to proceed with the environmental review process.

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

19. RESCIND CONTRACT AWARD TO C2PM AND AWARD CONTRACT TO GHIRARDELLI ASSOCIATES FOR CONSTRUCTION MANAGEMENT SERVICES FOR PIER 9 BERTHING FACILITY PROJECT

Mr. Sindzinski presented this item to the Board regarding construction management services for the Pier 9 Berthing Project, requesting Board authorization to rescind the contract award to C2PM for construction management services and authorize WETA staff to terminate negotiations with the firm, and to award a contract to Ghirardelli Associates for construction management services for a total amount not to exceed \$175,000, and authorize the Executive Director to seek to negotiate and execute a satisfactory agreement for those services.

Mr. Sindzinski reported that negotiations had been unsuccessful with C2PM and that there was no alternative but to end the discussions and seek the requested action to rescind their award and award to the second most qualified proposer. He recommended that the second most qualified firm, Ghirardelli Associates, be awarded the contract.

Director Johnson asked if the request to rescind was due to a change in actual price. Mr. Sindzinski said that the recommendation to rescind the contract award was due to the inability to reach agreement on a variety of contract details including payment terms and the use, availability and pay rates of key personnel originally proposed.

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

20. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 2:45 p.m. Upon reopening of the meeting at 3:20 p.m. she reported that no action had been taken.

21. ADJOURNMENT

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

Respectfully Submitted,

Board Secretary
