

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

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

*(July 15, 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 1:10 p.m. Directors present were Vice Chair Anthony Intintoli, Director Gerald Bellows and Director John O'Rourke. WETA counsel Stanley Taylor III of Nossaman LLP led the Pledge of Allegiance.

**2. REPORT OF BOARD CHAIR**

None.

**3. REPORT OF DIRECTORS**

None.

**4. REPORTS OF STAFF**

Executive Director Nina Rannells reported that the 2010 Interferry Conference was scheduled for October 3-6 in New York. She noted that she would be presenting at the conference and asked that any Directors interested in attending notify staff.

Ms. Rannells reported that she and Finance and Grants Manager Lynne Yu had met with the financial auditors from Maze & Associates and would continue to do so over the next several months. She reminded the Board that the auditor was available to present an item to the full Board or a committee, or to submit a written report to the Board if preferred, before entering the final phase of the audit. Chair Johnson and Vice Chair Intintoli agreed that they would like the report scheduled for a future meeting of the Board so that the auditor would be available for questions.

Ms. Rannells then noted that Chair Johnson was celebrating 10 years of service to the organization in the role of Board Chair. She thanked Chair Johnson for her efforts in leading the WTA/WETA to success from inception. Vice Chair Intintoli made a personal statement of appreciation and expressed congratulations to Chair Johnson as President of the WTA and as Chair of the WETA,, noting her dedication, efforts and remarkable accomplishments in service to the WTA/WETA. Chair Johnson was presented with a pen and framed photographs to commemorate the occasion.

Ms. Rannells then noted the addition of a legislative update from WETA's Federal Legislative Representative Peter Friedmann, reporting that Representatives Barbara Lee and George Miller were successful in adding Ferry Boat Discretionary funding for WETA to the preliminary House Subcommittee Appropriations Bill, including \$750,000 for the Vallejo Maintenance Facility and \$500,000 for Berkeley vessels. Ms. Rannells noted that there was still a long way to go in the funding process but that this was a promising start.

Ms. Rannells added that Mr. Freidmann continued to work with WETA State Legislative Representative Barry Broad on coordinating letters of support from the California delegation for

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increasing the overall amount of the Ferryboat Discretionary Fund in the upcoming reauthorization, specifically to include some funds set aside for WETA's expansion efforts.

**5. CONSENT CALENDAR**

Vice Chair Intintoli made a motion to approve the minutes from the June 17, 2010 Board of Directors meeting. Director Bellows seconded the motion and the item carried unanimously.

**6. APPROVE A RESOLUTION OF INTENT TO TRANSITION CITY OF ALAMEDA AND CITY OF VALLEJO FERRY SERVICES TO WETA**

Ms. Rannells introduced this item noting that along with the next two it represented important aspects of the service transition with the Cities of Alameda and Vallejo and funding for the City-based services.

Ms. Rannells then presented this first item requesting that the Board authorize a resolution of intent to accept transfer of the Baylink ferry service from the City of Vallejo and the Alameda/Oakland and Harbor Bay ferry services from the City of Alameda. She noted that per SB 976 and SB 1093, MTC was requiring resolutions of intent from all parties prior to allocating any additional funds for transition activities.

Vice Chair Intintoli asked when the Alameda City Council would be hearing the resolution to adopting a resolution of intent. Ms. Rannells said it would be the next Tuesday, July 20th. Vice Chair Intintoli asked who the key person had been representing WETA in the City of Alameda transition activities. Ms. Rannells said that it had been herself, along with assistance from Manager of Operations Keith Stahnke, Administrative Policy Analyst Lauren Duran and legal staff from Nossaman..

Chair Johnson asked what the status was of the term sheet for the transition. Ms. Rannells said the most recent version had been completed in December and that staff was currently working on a revision. She noted that the approach taken with the City of Alameda had been helpful in creating a similar approach for Vallejo.

Vice Chair Intintoli requested that progress updates be delivered at every meeting. Chair Johnson asked if there was a deadline for the final transition. Ms. Rannells answered that the legislative deadline for creating the Transition Plan had been met, and Mr. Taylor added that there was no statutory deadline for the actual service transitions and that progress was being made despite the challenges faced with the cities. Ms. Rannells added that MTC was pushing all parties forward and that WETA will continue to do everything to meet milestone objectives. Manager of Planning and Development John Sindzinski noted progress with the JPA and acquiring on-call planning services were important aspects of making headway.

Vice Chair Intintoli noted that WETA has every reason to complete the transition this year while funds were available.

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

**7. AUTHORIZE THE METROPOLITAN TRANSPORTATION COMMISSION (MTC) TO ALLOCATE A THIRD YEAR INCREMENT OF REGIONAL MEASURE 2 FUNDS TO SUPPORT VALLEJO FERRY SERVICE OPERATION**

Ms. Rannells presented this item requesting the Board Authorize, by resolution, the Metropolitan Transportation Commission to allocate an additional \$1,583,992 Regional Measure 2 augmentation to support FY 2010/11 Vallejo Ferry operations.

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Ms. Rannells reviewed the history of the previous two years' RM2 requests by Vallejo for a special funding increment and said that this year MTC would require a mid-year review to determine if a revision to the amount of funding offered would be required. She added that WETA and the City of Vallejo would also be required to create a service analysis or business plan that would examine ways to close the budget gap for future years

Vice Chair Intintoli noted that WETA's legislative mandate required a commitment to maintaining services as well as developing a service plan that reduced service deficits. He said that it was imperative that the service analysis be serious and thorough, and that if there were to be a marketing component that WETA should be aware of the substantial funding that would be required for a successful effort. He added that he hated to see any funding left unused when the services could benefit substantially from a good marketing effort.

Director Bellows asked if unused funding could be used in the future or if it would be retained by MTC. Ms. Rannells said unused funding would go away.

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

**8. AUTHORIZE THE METROPOLITAN TRANSPORTATION COMMISSION (MTC) TO DIRECTLY ALLOCATE FY 2010/11 REGIONAL MEASURE 1 AND REGIONAL MEASURE 2 FUNDS TO THE CITIES OF ALAMEDA AND VALLEJO TO SUPPORT FERRY OPERATIONS**

Ms. Rannells presented this item requesting that the Board approve by resolution direct MTC allocation of FY 2010/11 Regional Measure 1 and Regional Measure 2 funds to the cities of Alameda and Vallejo to support ferry service operations. She gave the Board a brief overview of the need for WETA to authorize direct payments to the Cities of Alameda and Vallejo per the requirements in SB 976.

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

**9. APPROVE AMENDMENT NO. 1 TO THE AGREEMENT WITH THE M-LINE FOR MARKETING SERVICES**

Ms. Rannells presented this item requesting that the Board approve Amendment No. 1 to the agreement with The M-Line Inc. in the amount of \$120,000 and authorize the Executive Director to execute the amendment. She reminded the Board of the presentation given by The M-Line at the June meeting and noted that this amendment would fund the next phase of the marketing work.

**Public Comment**

Gary Leach, Public Works Director, City of Vallejo, said that the City appreciated WETA's support in adding the Vallejo service to the marketing plan.

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

**10. AUTHORIZE THE ISSUANCE AND SALE OF A \$10,250,000 REVENUE BOND AND EXECUTION AND DELIVERY OF A TRUST AGREEMENT AND BOND PURCHASE CONTRACT AND ALL OTHER NECESSARY ASSOCIATED ACTIONS**

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Ms. Rannells presented this item requesting authorization by resolution of the issuance and sale of a Revenue Allocation Bond in a principal amount not to exceed \$10,250,000 to finance the construction of the South San Francisco Ferry Terminal.

Mr. Rannells said that this item solved the last two pieces of WETA's current funding puzzle and represented the culmination of considerable efforts by WETA. She explained that while the bond funds would initially be used to provide working capital for the South San Francisco Terminal construction, that after repayment occurs, WETA would ultimately end up with a cash reserve that could ultimately be used to meet agency capital and operating cash flow needs.

Director Bellows asked if this amount was what was available or if it was what WETA had requested. Ms. Rannells replied that it was the amount MTC was willing to provide. Director Bellows asked if Measure A funds would be used to reimburse the bond funds. Ms. Rannells said that the bonds and interest would be repaid with a future stream of RM 2 operating funds available to WETA, but that Measure A reimbursements would be held in the trust as a back-up form of repayment in the event that RM2 funds are unavailable for some unforeseen reason..

Ms. Rannells noted that WETA would pay interest to MTC on the bonds and that administrative costs plus interest would be up to \$1.3 million over the life of the bond. She said that the interest rate would be determined on the date of the transaction and would be based upon the 3-Year Treasury rate on that date plus an appropriate spread for this type of transaction, likely between 300 and 400 basis points, as determined by Stone & Youngberg and agreed to by MTC and WETA.

Vice Chair Intintoli asked if there were any other sources which could loan funds to WETA at a more favorable rate. Mr. Taylor said that that was unlikely and that MTC's assistance in structuring and supporting this transaction is important to ultimately allowing WETA to create a reserve..

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

#### **11. UPDATE ON CENTRAL BAY MAINTENANCE AND OPERATIONS FACILITY**

Planner/Analyst Michael Gougherty shared this informational item updating the Board on WETA's project to construct a maintenance and operations facility at Alameda Point. He presented a PowerPoint with renderings demonstrating a conceptual design for the facility which was required in order to move forward with an environmental assessment.

Vice Chair Intintoli asked if there were any problems anticipated with the nearby park area or the Bay Trail. Mr. Gougherty said that in preliminary discussions, the City and the East Bay Regional Park District had been supportive of the plan. He also noted that the Bay Trail was near the facility, but that the facility itself would not disturb the current route of the trail.

Vice Chair Intintoli asked if the leasable areas were clean and clear of toxic materials. Mr. Sindzinski replied that in the process of due diligence no evidence of toxic material had been found. Mr. Gougherty said that contaminates appeared to be unlikely but that soils would be sampled during the environmental review process.

Mr. Taylor asked if there was an opportunity for co-use of the facility as a terminal. Mr. Gougherty responded that land use was not compatible and that the facility would only be used for passengers in an emergency.

Director Bellows noted that he currently worked at the MARAD warehouse facility and that the site had been found to be clean of toxic materials.

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Public Comment

Veronica Sanchez of Masters, Mates & Pilots noted that her organization had a vested interest in the project, noting that Blue & Gold currently did maintenance work on the ferries. She then asked if the EOC on the third floor of the facility would be for the entire Bay Area or only for the East Bay.

Mr. Stahnke replied that as the current WETA EOC was considered seismically suspect, WETA was considering multiple sites including Vallejo and Alameda Point for EOC locations. He added that no seismically suitable sites appeared to be currently available to WETA in San Francisco.

Ms. Rannells added that the Port of San Francisco was working on potential shared facilities site in San Francisco and that they would seek WETA's involvement. Mr. Sindzinski further expounded that in any case it would always be desirable for WETA to have its own seismically secure operations center. Mr. Stahnke added that the North Bay would also be an option and that redundancy was desirable in this scenario.

**12. ADJOURNMENT**

All business having concluded, the meeting was adjourned at 2:40 p.m.

Respectfully Submitted,

Board Secretary

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