

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(August 19, 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 and Director Gerald Bellows. Vice Chair Anthony Intintoli 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 WETA had closed its first bond issue totaling \$10.1 million on August 3, with an interest rate of 4.632%. She noted that the rate was more favorable than had initially been expected and that these funds would provide WETA with the working capital needed to move forward with the construction phase of the South San Francisco terminal project.

Ms. Rannells also noted the addition of an update from WETA's Federal Legislative Representative Peter Friedmann summarizing a great deal of activity including increased earmarks in the Transportation Appropriations Bill which now included \$1.25 million for the Vallejo Maintenance Facility and \$775,000 for Berkeley vessels for WETA in the Ferry Boat Discretionary Fund.

Chair Johnson noted the item in Mr. Friedmann's report regarding Senator Patty Murray's election race in Washington State, adding appreciation for the Senator's advocacy for WETA.

Ms. Rannells closed with congratulations to Manager of Public Affairs Leamon Abrams on the birth of his daughter Leilah.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve the minutes from the July 15, 2010 Board of Directors meeting. Director Bellows seconded the motion and the item carried unanimously.

6. OVERVIEW OF FY 2009/10 FINANCIAL AUDIT SCOPE AND PROCESS

Ms. Rannells presented this informational item regarding WETA's FY 2009/2010 financial audit currently underway as required by the Authority's Administrative Code. She noted that the audit was being independently performed by Maze & Associates. Ms. Rannells then introduced Cory Biggs of Maze & Associates who delivered a status report to the Board, stating that he anticipated no issues with the audit and that field work would conclude in September or October with the final audit anticipated by December.

Chair Johnson asked how WETA could best guard against embezzlement. Mr. Biggs said that the key was having good internal controls in place by having more than a single person involved in transactions, such as having one person who writes checks but another who keeps books, which WETA has. He also said that having ABAG as a third party accounting administrator provides an additional safeguard.

Vice Chair Intintoli asked if WETA was insured for potential losses of this type. Ms. Rannells indicated that she was not certain whether this would be covered under the agency's general liability policy. Chair Johnson suggested that any insurance through the bank was not likely to be sufficient. Ms. Rannells said that as WETA's financial picture had changed significantly in recent months, and that staff would investigate insurance options. She noted that process currently in place was already multi-layered, with WETA requesting payments and ABAG processing them. She added that additional security measures such as requiring two signatures on check requests from WETA plus two signatures on payments processed at ABAG are in place.

7. APPROVE ON-CALL PLANNING LIST AND CONTRACTS

Planner/Analyst Mike Gougherty presented this item requesting Board approval by resolution of a list of on-call planning consulting firms and to authorize the Executive Director to negotiate and execute individual agreements on an as-needed basis in an amount not to exceed \$100,000 per agreement per year.

Mr. Gougherty noted that the need to secure the services of on-call planning consultants was due to the scope and anticipated volume of WETA's work program, and that the additional resources and planning expertise in specific areas would be required to complement existing staff resources.

Chair Johnson asked how many firms had been solicited for the RFQ. Mr. Gougherty replied that notifications were sent to over 400 interested parties. He also explained that the five recommended firms had each teamed with several additional firms in the SOQs and that this would give WETA access to a wide variety of expertise as needed. Manager of Planning & Development John Sindzinski added that one of the advantages of the team approach was that WETA staff would not be required to manage 30 or 40 different contracts. He noted that many of the firms involved offered extremely high levels of expertise in areas that would be useful to WETA.

Ms. Rannells added that the budget requested was for a maximum amount that may not be required, and that the on-call list would give WETA access to specialized professionals if and only if and when needed. Ms. Rannells noted that it was based on the model WETA used for on-call marine engineering and listed example scenarios such as planning for Clipper Card implementation or assistance developing the RFP for consolidated ferry operations depending on WETA's need for expertise or to supplement staff availability.

Vice Chair Intintoli asked if there was a potential conflict regarding Mundle & Associates. Mr. Gougherty said that Subhash Mundle had called with concerns due to a sub-contract to audit RM2 recipients. Ms. Rannells added that the firm had done work on TDA audits as well, and that although WETA did not currently receive TDA funds, Mundle & Associates had requested to be withdrawn from consideration from the on-call list.

Vice Chair Intintoli noted that City of Vallejo Public Works Director Gary Leach had said Vallejo hoped to piggyback with WETA and asked Mr. Sindzinski for clarification as to how this would work. Mr. Sindzinski said the possibility existed that, through an agreement with Vallejo, WETA could procure the services of one of these firms to analyze parking strategies for the downtown Vallejo area on behalf of the City.

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

8. PUBLIC COMMENT

John Hummer of the U.S. Maritime Administration said that he had attended a roundtable in Sacramento the previous day, and that Randy Iwasaki of the Contra Costa Transportation Authority had requested that he relay a message to WETA asking that WETA contribute a Letter of No Prejudice regarding Hercules. Mr. Hummer said that it was his understanding that if Hercules proceeded with its work on its transit development without a ferry terminal that the terminal would cost significantly more for WETA to build in the future.

Ms. Rannells thanked Mr. Hummer and noted that she had already been contacted by Mr. Iwasaki and that she would touch base with him again to clarify the request. Ms. Rannells noted, however, that she believed that WETA's involvement at this stage would be premature without a completed environmental document or the project.

Chair Johnson requested an update from staff regarding progress on the South San Francisco terminal project. Mr. Sindzinski said that some portions of the terminal were in final design stages and that both the float and gangway and the terminal pier structure firms were ready to mobilize and drive piles before the end of construction season in November. He noted that there was a Buy America waiver issue that he anticipated would be resolved quickly.

Vice Chair Intintoli asked what kinds of solutions could be considered regarding the differing demands for both vessel speed and passenger capacity on the various routes. Manager of Operations Keith Stahnke noted that in order to operate at optimal efficiency, trips less than ten miles generally used 25 knot ferries for maximum fuel efficiency, and that trips over 10 miles required 35 knot vessels in order to keep transit times acceptable to passengers.

Vice Chair Intintoli emphasized that WETA should operate vessels with maximum efficiency. Mr. Stahnke pointed out that one of the important benefits to consolidating ferry operations would be the flexibility in assigning the most appropriate vessels to each route to meet required passenger capacity and efficiency.

Ms. Rannells noted that the next opportunity to consider options for additional vessels would arrive with the advent of a Berkeley service. Vice Chair Intintoli reiterated that WETA continue to look at ways to afford maximum efficiency and flexibility with its fleet.

9. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 2:00 p.m. Upon reopening of the meeting at 2:45 p.m. she reported that no action had been taken.

10. ADJOURNMENT

All business having concluded, the meeting was adjourned at 2:45 p.m.

Respectfully Submitted,

Board Secretary
