



Members of the Board

Charlene Haught Johnson, Chair
Anthony J. Intintoli, Jr., Vice Chair
Gerald Bellows
Beverly Johnson
John O'Rourke

**MEETING AGENDA FOR THE
WETA BOARD OF DIRECTORS**

Thursday, August 19, 2010 at 1:00 P.M.
San Francisco Bay Area
Water Emergency Transportation Authority
9 Pier, Suite 111
San Francisco

The full agenda packet is available for download at www.watertransit.org.

AGENDA

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please contact the Board Secretary at least five (5) working days prior to the meeting to ensure availability.

PUBLIC COMMENTS The Water Emergency Transportation Authority welcomes comments from the public. Speakers' cards and a sign-up sheet are available. Please forward completed speaker cards and any reports/handouts to the Board Secretary.

Non-Agenda Items: A 15 minute period of public comment for non-agenda items will be held at the end of the meeting. Please indicate on your speaker card that you wish to speak on a non-agenda item. No action can be taken on any matter raised during the public comment period. Speakers will be allotted no more than three (3) minutes to speak and will be heard in the order of sign-up.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item and will be allotted no more than three (3) minutes to speak. You are encouraged to submit public comments in writing to be distributed to all Directors.

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| 1. <u>CALL TO ORDER – BOARD CHAIR</u> | Information |
| 2. <u>ROLL CALL/PLEDGE OF ALLEGIANCE</u> | Information |
| 3. <u>REPORT OF BOARD CHAIR</u> | Information |
| 4. <u>REPORTS OF DIRECTORS</u> | Information |
| 5. <u>REPORTS OF STAFF</u> | Information |
| a. Executive Director's Report | |
| b. Legislative Update | |

Water Emergency Transportation Authority
August 19, 2010 Meeting of the Board of Directors

6. CONSENT CALENDAR *Action*
a. Minutes July 15, 2010
7. OVERVIEW OF FY 2009/10 FINANCIAL AUDIT SCOPE AND PROCESS *Information*
8. APPROVE ON-CALL PLANNING LIST AND CONTRACTS *Resolution*
9. RECESS INTO CLOSED SESSION
- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS *Action*
Property: City of Alameda ferry terminal related property/assets *To Be Determined*
Agency Negotiators: Nina Rannells and Keith Stahnke, San Francisco
Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Alameda
Under Negotiation: Terms and conditions to the transfer of property with the City of Alameda for the Alameda Oakland and Harbor Bay Ferry Services
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS *Action*
Property: City of Vallejo ferry terminal related property/assets *To Be Determined*
Agency Negotiators: Nina Rannells and John Sindzinski, San Francisco
Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Vallejo
Under Negotiation: Terms and conditions to the transfer of property/assets with the City of Vallejo for the Vallejo Baylink Service
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS *Action*
Property: City of Berkeley ferry terminal related property *To Be Determined*
Agency Negotiators: Nina Rannells and John Sindzinski, San Francisco
Bay Area Water Emergency Transportation Authority
Negotiating Parties: City of Berkeley
Under Negotiation: Terms and conditions to the cooperative agreement/lease with the City of Berkeley for Berkeley service
10. REPORT OF ACTIVITY IN CLOSED SESSION *Action*
Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session. *To Be Determined*
11. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

Water Emergency Transportation Authority (WETA) meetings are wheelchair accessible. Upon request WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. Please send a written request to contactus@watertransit.org or call (415) 291-3377 at least five (5) days before the meeting. Under Cal. Gov't. Code sec. 84308, Directors are reminded that they must disclose on the record of the proceeding any contributions received from any party or participant in the proceeding in the amount of more than \$250 within the preceding 12 months. Further, no Director shall make, participate in making, or in any way attempt to influence the decision in the proceeding if the Director has willfully or knowingly received a contribution in an amount of more than \$250 within the preceding 12 months from a party or such party's agent, or from any participant or his or her agent, provided, however, that the Director knows or has reason to know that the participant has a financial interest in the decision. For further information, Directors are referred to Gov't. Code sec. 84308 and to applicable regulations.

M E M O R A N D U M

TO: WETA Board Members
FROM: Nina Rannells, Executive Director
DATE: August 19, 2010
RE: Executive Director's Report

PROJECT UPDATES

Service Transition Implementation – The Transition Plan guides the consolidation of the Vallejo, Alameda/Oakland and Harbor Bay ferry services under WETA, and presents a five year financial outlook of WETA operating and expansion activities. The WETA Board of Directors adopted the final Transition Plan on June 18, 2009, in compliance with Senate Bills 976 and 1093 requirements.

WETA and City staffs and legal counsel continue to work on a few remaining issues to include in the Final Transition Agreement with Alameda. On June 23, the City of Alameda discussed the terms and conditions of the ferry service transfers to WETA with the Alameda public at the Transportation Commission meeting. Staff anticipates bringing forward the final transition agreement for Board consideration in October 2010, and operational transfer of the services by December 31, 2010.

WETA and City of Vallejo staffs are meeting weekly to discuss terms and details of the Vallejo service transition. In addition, WETA and City of Vallejo staff have begun meeting periodically with a larger group, including Metropolitan Transportation Commission and Solano Transportation Authority representatives, to review the progress of our work and discuss any larger county and/or regional issues that have been identified associated with the transition. These discussions are all in support of our goal to bring forward a Vallejo service transition term sheet for Board consideration in November 2010.

Emergency Water Transportation System Management Plan (EWTSMMP) - This plan sets a framework for WETA coordination of emergency response and recovery efforts using passenger ferries and will provide a detailed definition of WETA's roles and responsibilities for incident planning, response, recovery and restoration of normal operations. The WETA Board of Directors adopted the final Emergency Water Transportation System Management Plan on June 18, 2009, in compliance with the requirements of Senate Bills 976 and 1093. Preparation of the EWTSMMP and the Emergency Operations Plan (agency's internal plan) are complete.

WETA staff, Manager of the Alameda Ferry Services, and a representative from Blue & Gold Fleet participated in the MTC Regional Functional Exercise held in parallel with the Statewide Golden Guardian exercise on May 18. This provided an opportunity for both WETA staff and the contracted operators to understand each entity's procedures for service suspension and resumption in the event of a major emergency or disaster. MTC is currently working on an After Action Report which will evaluate and provide suggestions for addressing shortfalls in the participating agency's internal emergency response procedures.

Spare Vessels - Two spare vessels, *Gemini* and *Pisces*, have been constructed by Nichols Brothers Boat Builders and Kvichak Marine Industries that will be used to augment existing services and expand WETA's emergency response capabilities. Both of these vessels are chartered to the City of Alameda and are currently being utilized in Alameda-Oakland, Tiburon and Alameda Harbor Bay services.

South San Francisco Ferry Service - This service will provide access to biotech and other jobs in South San Francisco for East Bay commuters and expand the geographic reach of emergency ferry transportation response capabilities on the San Francisco Bay.

Two 199-passenger vessels, *Scorpio* and *Taurus*, have been constructed by Kvichak Marine Industries and Nichols Brothers Boat Builders. Both of these vessels are chartered to the City of Alameda and are currently being utilized in Alameda-Oakland, Tiburon and Alameda Harbor Bay services.

Notices to Proceed were issued to the contractor in July 2010. Pre-construction work continues by the two contractors selected for this project including securing the insurance coverages needed for the project.

Berkeley Ferry Service – This service will provide an alternative transportation link between Berkeley and downtown San Francisco.

WETA staff met with BCDC staff in July who expressed serious objections to the plan that has been developed for the ferry terminal, citing their opinion that the terminal is incompatible with their designation of the site as a park priority use area. WETA staff will schedule a meeting with the City of Berkeley in the next month to discuss alternatives to satisfy BCDC and move the project forward.

Treasure Island Service – This project, implemented by Treasure Island Development Authority (TIDA), the Mayor's Office of Economic and Workforce Development and the prospective developer, will institute new ferry service between Treasure Island and downtown San Francisco.

There are no new developments to report concerning this project.

Downtown San Francisco Ferry Berthing Expansion - This project will expand ferry berthing capacity at the San Francisco Downtown Ferry Terminal to accommodate expanded regular and emergency response ferry services. The current capacity at this terminal can only sustain the addition of the Berkeley-to-San Francisco route; any other route will require further terminal capacity.

Contracts with both the design and environmental review firms have been completed and initial meetings with both teams as well as Port of San Francisco staff are taking place to start work on the project in August 2010.

Pier 9 Berthing Facility - This project would construct two layover berths for mooring and access to ferry vessels on Pier 9 alongside the northern pier apron and adjacent to the WETA Administrative Offices.

The RFP for the construction of this project was released on Monday, August 2, with proposals due to WETA in early September. Staff expects to bring a recommendation for awarding the construction project to the Board in October.

Central Bay Operations and Maintenance Facility - This project will develop a site for WETA operations and maintenance to serve basic vessel fueling, maintenance, shop, warehouse, storage and emergency operations needs.

A final concept design has been prepared for this project and was the subject of an informational presentation to the Board at its last meeting. The final concept design will support preparation of the necessary environmental impact review documents required by CEQA and NEPA regulations. Environmental clearance of this project is anticipated to occur by the end of 2010 allowing WETA to proceed with preliminary and final design for the proposed maintenance facility.

Hercules Environmental Review/Conceptual Design - WETA has worked cooperatively with the City of Hercules to prepare the necessary environmental documents to support new ferry service in coordination with a Capitol Corridor commuter train station (and local feeder bus service) in a new Water Transit Oriented Development (WaTOD) being built at the Hercules waterfront.

City and WETA staff met to discuss their respective projects and the status of the Hercules environmental documents in June. Additionally, WETA staff is exploring the feasibility of a hovercraft for this route, as requested by the City, as one potential solution that would avoid the large and ongoing costs associated with dredging approximately two miles to the project site.

Miscellaneous Environmental Assessments/Conceptual Design – This project involves completing environmental and conceptual design documents for potential future ferry services in Antioch, Martinez, Redwood City and Richmond.

Besides issuing task orders to restart these studies, staff is in the process of finalizing the RFQ to solicit conceptual design services for each of these projects. Staff expects to issue this RFQ in August and make award recommendations to the Board in October for these design and engineering services.

UPDATE ON RELEVANT PROJECTS IMPLEMENTED BY OTHER AGENCIES

Vallejo Station - Vallejo Station is a compact, transit-oriented mixed-use project in the City of Vallejo that includes two major transit elements – a bus transfer facility that will consolidate local, regional and commuter bus services and a 1,200 space parking garage for ferry patrons and the general public.

Design of Phase A of the parking structure is 100% complete and all funding sources for Phase A of the Program have been secured. Construction of the parking structure commenced on June 1, with an expected construction completion date of February 2012. Excavation of the site has begun and will continue through August 2010. Differing site conditions have been found during excavation, that have resulted in minor design changes but the project schedule has not yet been affected.

Meetings with USPS personnel regarding relocation are still underway and a potential relocation site has been identified. On June 22, City Council authorized City personnel to make an offer on the underlying HILF trust property based on a revised appraisal. Both parties have come to an agreement for purchase and escrow is expected to be complete by early September. Design of Phase B of the Parking Structure is in the final design stage with the construction start date being dependent on the relocation of the post office property and full funding for this phase.

Site work and utility construction is complete on the Bus Transit Center, structural steel has been erected, internal and external framing is complete, the HVAC system is installed, interior dry wall and plumbing are complete and the roof is in place. Exterior siding is currently being installed on the building and brick flatwork has begun. The base pad has been paved and poured and the shelter structures have been erected. Construction is currently at 50% completion, with an anticipated construction end date of April 2011.

Mare Island Ferry Maintenance Facility – This project will construct a new ferry maintenance facility located at Building 165 on Mare Island in Vallejo in three phases. Phase 1 constructs a 48,000 gallon fuel storage (2 week supply) and delivery system. Phase 2 includes construction of a system of floats and piers to initially berth 6 vessels but designed in a modular fashion to accommodate future growth of the fleet, demolition of Building 855, and construction of a new warehouse/shop in its place. Phase 3 will renovate Building 165 into a permanent office and shop space (including lead dust abatement), and security installations. The design consultants, Winzler & Kelly, finished the conceptual design for all three phases in August 2005.

In anticipation of WETA taking over ferry operations from the City of Vallejo, WETA Staff reviewed the project in early 2009 and recommended that five specific areas of the plan be re-studied/amended including fuel tank storage options, modular construction of vessel berths, options to address BCDC global warming criteria, re-examining if continuing renovation of building 165 is optimal and revising lead dust abatement cost estimates.

Lennar (landlord of the site) and City of Vallejo, in consultation with WETA, are working to complete a 95% clean draft of the Facilities Agreement Lease in the very near term. This document is expected from Lennar in mid-August. Once received, the document will be routed to the City and WETA staff for a comprehensive review. The City Engineer and Ferry Staff completed a walk through of the parcel with Lennar on May 13. Verbal agreements were reached regarding a slight reorientation of the southern parcel line to maximize utility of the site. A drawing showing the revised parcel line has been prepared by Winzler & Kelly and forwarded to Lennar for inclusion in the 95% Facility Agreement Lease.

Marcy Wong – Donn Logan Architects have submitted several planning documents to the City of Vallejo Planning Department concerning the project:

- Historic Evaluation of Building 165
- Application for Certificate of Appropriateness
- Planned Unit Development Permit Application
- Request for a Finding of Reasonable Necessity for Demolition of Building 855

The project should go before the Architectural Heritage and Landmarks Commission at their September 2010 meeting for comment/approval.

Work continues on the 50% plans and specifications package for the Phase 1 Ferry Fueling Facility and Phase 2 Waterfront Infrastructure. The consultant team, being led by Winzler & Kelly, expects to have the 50% package completed for City and WETA review by the end of September 2010.

The United States Coast Guard has provided a Letter of No Concern regarding the project impacts to the federal navigable channel in Mare Island Strait. This letter has been forwarded to the United States Army Corps of Engineers (USACOE). With the Coast Guard letter in hand, the USACOE will be conducting a policy search to confirm that there is no regulation that applies to this situation and that no permit from the USACOE will be required.

OTHER ACTIVITIES / ITEMS

WETA Revenue Bond Issue – WETA closed its first bond issue, San Francisco Bay Area Water Emergency Transportation Authority Revenue Bond Series 2010, on August 3, 2010. This bond issue totaled \$10.1 million of taxable bonds purchased by MTC as a part of a private placement arrangement. These bonds will be repaid over a three year period utilizing Regional Measure 2 operating funds. The final interest rate established for these bonds was 4.632%, based upon the 3-Year Treasury rate at the time of pricing (.882%), and a total yield spread of 375 basis points to

account for the market yield spread for similar transactions. This bond transaction will provide WETA with the working capital needed to implement the South San Francisco Terminal project.

Prevailing Wage – On July 1, 2009 staff sent a letter to the Department of Industrial Relations (DIR) asking whether or not prevailing wage laws apply to passenger ferry operations on the San Francisco Bay and if DIR can conduct a special determination even if prevailing wage laws do not apply. On July 14 WETA received a letter from DIR stating that WETA is not required by state law to pay prevailing wage for ferry operations work. DIR issued a draft special determination for prevailing wages for regular ferry operations on the San Francisco Bay on October 7, 2009, and a clarifying letter on February 17, 2010, related to health and welfare rates for deckhands. Staff has reviewed the information in these letters and will incorporate a discussion on prevailing wage into the up-coming development of a ferry service operating RFP, which would serve to consolidate transitioned city services and new SSF service under one operator.

ADMINISTRATION

June Financial Statements - Attached are the monthly financial statements for June 2010, including the Statement of Revenues and Expenses and the Capital Budget vs. Expenditures reports.

Water Emergency Transportation Authority
FY2009/10 Statement of Revenues and Expenses
June 2010

	Current Month	Prior Year Actual	FY 2009/10 Budget	FY 2009/10 Actual	% of Budget	% of Year Elapsed 100%
Operating Revenues						
Operating Assistance						
RM 2 Planning	842,143	3,656,290	4,620,000	3,974,266	86.0%	
SUASI	-	173,802	-	26,198	0%	
Total Operating Assistance	842,143	3,830,092	4,620,000	4,000,464	86.6%	
Other Revenues						
Interest Income	1,121	34,643	30,000	13,050	43.5%	
Other	-	51,500	-	7,900	0.0%	
Total Other Revenues	1,121	86,143	30,000	20,950	69.8%	
Total Operating Revenues	843,263	3,916,235	4,650,000	4,021,413	86.5%	
Total Capital Revenues	1,955,919	17,675,940	35,816,070	10,036,502	28.0%	
Total Revenues	2,799,182	21,592,175	40,466,070	14,057,915	34.7%	
Operating Expenses						
Operations						
Wages and Fringe Benefits	129,597	1,294,230	1,590,000	1,472,036	92.6%	
Services	665,255	2,164,056	2,490,000	2,144,939	86.1%	
Materials and Supplies	14,703	29,045	92,500	25,071	27.1%	
Utilities	2,274	12,847	17,000	11,322	66.6%	
Insurance	757	30,352	35,000	28,973	82.8%	
Miscellaneous	6,030	41,170	95,500	38,597	40.4%	
Leases and Rentals	23,527	295,942	300,000	279,526	93.2%	
Total Operations	842,143	3,867,643	4,620,000	4,000,464	86.6%	
Total Operating Expenses	842,143	3,867,643	4,620,000	4,000,464	86.6%	
Total Capital Expenses	1,955,919	17,675,940	35,816,070	10,036,502	28.0%	
Total Expenses	2,798,061	21,543,583	40,436,070	14,036,965	34.7%	
Excess Revenues (Loss)	1,121	48,592	30,000	20,950		

**Water Emergency Transportation Authority
FY 2009/10 Capital Budget vs Expenditures
June 2010**

Project Description	Current Month	Project Budget	Prior Year Actual	2009/10 Budget*	2009/10 Actual	Future Year	% of Project
Expenses							
2 Spare Vessels	-	17,000,000	16,758,493	241,507	6,317	-	99%
SSF Vessels	1,856,389	20,500,000	11,441,898	7,000,000	8,062,942	2,058,102	95%
SSF Terminal Design	-	3,000,000	2,794,926	205,074	57,288	-	95%
SSF Mitigation Study	-	275,000	35,581	100,000	6,875	139,419	15%
SSF Terminal Construction	62,562	26,000,000	-	15,000,000	1,418,145	11,000,000	5%
Berkeley Environ/Conceptual Design	18,790	1,782,700	1,490,239	292,461	192,335	-	94%
Berkeley Terminal Design	-	3,200,000	-	1,500,000	-	1,700,000	0%
Hercules Environ/Conceptual Design	16,663	1,080,000	908,016	171,984	78,921	-	91%
Pier 9 Mooring/Floats	708	2,750,000	237,562	2,512,438	92,304	-	12%
Environmental Studies/Conceptual Design	-	3,000,000	56,000	1,500,000	-	1,444,000	2%
Central Bay Ops/Maintenance Facility	808	2,600,000	7,394	2,592,606	121,375	-	5%
Maintenance Barge, Floats & Ramps	-	5,000,000	-	3,500,000	-	1,500,000	0%
S.F. Berthing - Environ/Conceptual Design	-	2,500,000	-	1,200,000	-	1,300,000	0%
Total Capital Expenses	1,955,919	88,687,700	33,730,110	35,816,070	10,036,502	19,141,520	
Revenues							
RM 2	623,263	37,887,699	30,960,852	5,996,429	3,423,023	930,418	91%
San Mateo County Sales Tax	31,281	15,000,000	-	8,653,950	410,919	6,346,050	3%
Federal	673,168	9,480,002	2,705,864	4,174,100	3,869,013	2,600,038	69%
Proposition 1B	628,207	26,319,999	63,395	16,991,590	2,335,817	9,265,014	9%
Total Capital Revenues	1,955,919	88,687,700	33,730,110	35,816,070	10,038,771	19,141,520	

**Actual FY2008/09 expenditures were greater than the estimate; therefore, FY2009/10 Budget is \$51,070 less than the Adopted Budget.*

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

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.

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

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.

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

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Lynne Yu, Manager, Finance & Grants**

SUBJECT: Overview of FY 2009/10 Financial Audit Scope and Process

Recommendation

There is no recommendation associated with this informational item.

Background/Discussion

Section 106.6 of the Authority's Administrative Code requires preparation of an annual financial audit report by an independent auditor consistent with California Government Code Section 66540.54. The Authority utilizes the services of Maze & Associates Accountancy Corporation (Maze) to perform this independent audit through its ongoing agreement with the Association of Bay Area Governments (ABAG) for financial services.

Initial field work associated with the audit of WETA's FY 2009/10 financials was completed by Maze in June 2010. Final field work will be conducted in September and a final audit report is scheduled to be issued no later than December. The work scope and process for the audit is outlined in the audit overview and related engagement letter provided as **Attachment A** to this report. Cory Biggs, CEO of Maze & Associates, will provide an overview of the audit process, include a discussion of the audit scope, management representation, fraud considerations and audit timing, and answer any questions that the Board has at the meeting.

Fiscal Impact

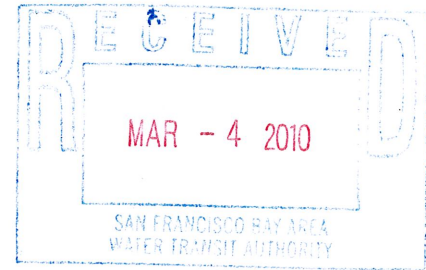
There is no fiscal impact associated with this informational item.

END

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March 2, 2010

Nina Rannells, Executive Director
San Francisco Bay Area Water Emergency Transit Authority
Pier 9, Suite 111
The Embarcadero
San Francisco, CA 94111



Dear Nina:

We have been engaged to conduct an audit of the Authority's financial statements for the year ended June 30, 2010. New audit standards require us to communicate with the Board or other appropriate persons about the audit process. Topics include audit scope, management representations, fraud considerations and audit timing. We have presented an overview of these below:

Audit Scope, Management Representations and Fraud Considerations

Attached is a copy of our engagement letter for fiscal 2009-10, which incorporates a summary of the audit process. It defines what an audit of the Authority's financial statements is and discusses management representations, internal control, fraud considerations and management responsibilities for data contained in financial statements. It is the standard engagement letter used when a financial statement audit is to be conducted.

Audit Timing

We have met with staff and agreed to the following schedule:

- June 2010 Interim audit fieldwork completed
- September 2010: Final audit fieldwork is scheduled
- Prior to the End of December: Issuance of our opinions and a presentation the Board

Fraud Risk Considerations

Audit standards require us to have discussions with our clients to discuss both the potential for and any occurrences of fraud and the impact on financial statements. "Fraud" is defined as an intentional act that results in a *material misstatement in financial statements* that are subject to audit. In this case, fraud includes two concepts. The first is fraudulent financial reporting, including misapplication of accounting principles, the omission of data or disclosures, fictitious transactions or sham transactions and concealment of relevant data. The second concept is that of misappropriations of assets, including theft, its concealment and conversion to cash.

In accordance with audit standards, we met with management and asked:

- a. Is management aware of known instances of fraud?
- b. Are there areas management believe are "Susceptible to Fraud"
 - i. Areas presumed susceptible to fraud under audit standards:
 - i. Improper revenue recognition
 - ii. Management override of Internal Control

Communicating the Audit Process

We discussed the above topics with staff and wish to do so with you to provide board representatives an opportunity to participate in the audit process prior to its completion.

I look forward to our discussion.

Regards,



Cory A. Biggs, CEO

enclosure

March 2, 2010

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Nina Rannells, Executive Director
San Francisco Bay Area Water Emergency Transit Authority
Pier 9, Suite 111
The Embarcadero
San Francisco, CA 94111

Dear Nina:

We are pleased to confirm our understanding of the services we are to provide for the San Francisco Bay Area Water Emergency Transit Authority for the year ended June 30, 2010. The services we have been engaged to provide are outlined below, but we are also available to provide additional services at your request:

1. Basic Financial Statements
2. Testing for compliance with the Single Audit Act and applicable laws and regulations and issuance of our reports thereon.

Audit Objective

The objective of our audit is to express opinions as to whether your financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles in the United States of America and to provide limited assurance on accompanying supplemental information. Other information accompanying will not be audited by us and we will express no opinion on it. The objective also includes reporting on:

- Internal controls related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the Board or their appointed committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with generally accepted auditing standards in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provision of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133 and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinion on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with Authority management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, the schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the fair presentation in the financial statements of financial position of the Authority's various activities, major funds, and the aggregate remaining fund information and changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for federal award program compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us, including any significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. We understand that the Authority will provide us with the Closing Checklist information required for our audit and that the Authority is responsible for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud or illegal acts could have a material effect on the financial statements. The Authority is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud or illegal acts affecting it received in communications from employees, former employees, grantors, regulators, or others. In addition, the Authority is responsible for identifying and ensuring that it complies with applicable laws and regulations. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings must be made available for our review.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. Because the determination of abuse is subjective, *Governmental Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, immaterial illegal acts, or violations of laws, or governmental regulations that do not have a direct and material effect on the financial statements or major programs. We will advise the Authority of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the Authority of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of cash, investments and certain other assets and liabilities by correspondence with selected customers, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill the Authority for responding to this inquiry. At the conclusion of our audit we will also require certain written representations from management about the financial statements and related matters.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major program. However, our tests will be less in scope than would be necessary to render an opinion on those controls, and accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and the Board internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the Authority has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and the applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each major program. The purpose of those procedures will be to express an opinion on the Authority's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

Agreed-Upon Procedures

Our services to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the report either for the purpose for which the report had been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement. Because agreed-upon procedures do not constitute an examination, we will not express an opinion. In addition, we have no obligation to perform any procedures beyond those agreed to.

Audit Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

At the conclusion of the engagement, we will complete the appropriate sections and sign the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

The audit documentation for this engagement is our property and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing oversight of direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maze & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. We will retain audit documentation for seven years pursuant to state regulations.

We expect to begin our audit in June, 2010 and to issue our reports no later than December, 2010. The name of the engagement partner is Cory Biggs who is responsible for supervising the engagement and signing the report.


Our fees for these services are billed based on our contract with the Authority. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if the Authority's account becomes thirty days or more overdue and may not be resumed until the Authority's account is paid in full.

These fees are based on anticipated cooperation from Authority personnel, the completion of schedules and data requested on our Checklists, and the assumption that there will be no unexpected increases in work scope, such as new Single Audit Act programs, new debt issues, etc., or delays which are beyond our control, as discussed on the Fees Attachment to this letter. If significant additional time is necessary, we will discuss it with Authority management and arrive at a new fee before we incur any additional costs.

We understand you will provide us with basic workspace sufficient to accommodate the audit team assigned to your audit. We understand the basic workspace will be equipped with a telephone and direct Internet access, preferably a temporary network outside of your network, a public IP address and a wired connection. We understand you will also provide us with access to a fax machine and read only access to your general ledger system.

Government Auditing Standards require that we provide the Authority with a copy of our most recent quality control review report and letter of comment. Our most recent peer review report, the letter of comment and our responses accompany this letter.

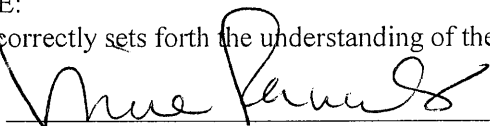
We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return the entire copy to us.


Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of the Authority.

By:



Title:

EXECUTIVE DIRECTOR

Date:

3/5/10

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
John Sindzinski, Manager, Planning & Development

SUBJECT: Approve On-Call Planning Services List and Contracts

Recommendation

Approve the following actions associated with the on-call planning services:

- Approve the on-call planning consulting list to be valid for up to five years; and
- Authorize the Executive Director to negotiate and execute individual agreements(s) on an as-needed basis in an amount not to exceed \$100,000 per agreement per year.

Background

WETA is currently in the process of developing several projects to expand water transit on the San Francisco Bay, as set forth in the Implementation and Operations Plan, in addition to coordinating the transfer of existing ferry services currently operated by the Cities of Alameda and Vallejo to WETA as directed by the State Legislature. Staff has identified a need to secure the services of on-call planning consultants to support the advancement of these projects by providing additional resources and planning expertise in specific areas to complement existing staff resources. Contracting with consultants to provide on-call services would allow WETA staff to efficiently secure specialized planning services as needed to effectively manage peak workloads and ensure the timely development of active projects in the WETA work program.

Discussion

On May 6, 2010, the Board authorized staff to release a Request for Qualifications (RFQ) for On-call Planning Services. On July 2, 2010, staff issued an RFQ to over 410 firms on the WETA's technical consultant list through email and further solicited interest through notices on the website seeking a qualified consultant or multiple consultants to provide on-call planning services related to the following planning subject areas:

- Systemwide planning
- Terminal access planning
- Capital and financial planning
- Transition Planning
- Fare policy and fare collection
- Real estate asset management

On July 23, 2010, WETA received a total of six (6) Statements of Qualification (SOQs) in response to the RFQ from the following firms:

Firm

1. Art Anderson
2. Cambridge Systematics
3. KPFF
4. Jacobs
5. Moffatt + Nichol
6. Mundle + Associates

An evaluation panel consisting of WETA staff reviewed the SOQs and evaluated each Offeror's qualifications based upon the selection criteria established in the RFQ including proposed approach, qualifications of proposed staff, staffing capacity and the range of planning services offered and DBE participation.

Based upon the information submitted the panel concluded that five firms (and their respective sub-consultants) that submitted Statements of Qualifications are qualified to undertake some or all of the types of planning work identified in the RFQ as indicated in the matrix below. The Statement of Qualifications submitted by Mundle & Associates was eliminated from consideration due to the disclosure of a conflict of interest.

Qualified Firm	Planning Subject Areas					
	Systemwide Planning	Station Access Planning	Capital and Financial Planning	Transition Planning	Fare Policy and Fare Collection	Real Estate and Asset Management
Art Anderson	X	X	X	X	X	X
Cambridge Systematics	X	X	X	X	X	X
KPFF	X	X	X	X	X	X
Jacobs	X	X	X		X	
Moffatt + Nichol	X		X		X	X

Staff recommends selecting each of the five qualified firms to be included in an on-call list of consultants for planning services to be utilized for up to five years. As specific services are required, staff would utilize firms on this list based upon the most qualified and available team for the task. Services would be acquired as needed and actual expenditures would be authorized on a task order basis within established annual budget limits.

Examples of work tasks that could be undertaken by consultants from this list include assistance in analyzing Vallejo ferry system details and finalizing the terms of the service transition, assistance in preparing an RFP and reviewing proposals for operations and maintenance of consolidated WETA ferry services and assistance in preparing for the implementation of Clipper, the regional transit smart card fare collection system, on WETA services.

Fiscal Impact

Funding for on-call planning consulting services is included in the proposed FY 2010/2011 operating budget and will also be included in future year budgets to support this contract award. Task order work in any given year will not exceed budgeted funds.

END