



Members of the Board

Charlene Haught Johnson, Chair
Anthony J. Intintoli, Jr., Vice Chair
Gerald Bellows
Timothy Donovan
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**MEETING AGENDA FOR THE
WETA BOARD OF DIRECTORS**

BOARD OF DIRECTORS' MEETING

March 14, 2013 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.

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

**Water Emergency Transportation Authority
March 14, 2013 Meeting of the Board of Directors**

6. CONSENT CALENDAR **Action**
 - a. Minutes February 7, 2013

7. APPROVE CONTRACT AMENDMENT WITH FAST FERRY MANAGEMENT, INC. FOR MARINE SERVICES **Action**

8. APPROVE CONTRACT AWARD FOR BAY BREEZE REFURBISHMENT PROJECT **Action**

9. SOUTH SAN FRANCISCO SERVICE ENHANCEMENT DEMONSTRATION PROJECT **Information/Action**

10. RECESS INTO CLOSED SESSION
 - a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS **Action**

Property: Mare Island Maintenance Facility at Building 477 and Building 165 sites, City of Vallejo and Lennar Mare Island, LLC
Agency Negotiator: Nina Rannells
San Francisco Bay Area Water Emergency Transportation Authority
Negotiating Parties: Lennar Mare Island, LLC
Under Negotiation: Terms and conditions of the Authority's proposed lease

To Be Determined

 - b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION **Action**

Title: Executive Director

To Be Determined

11. 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

12. 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.

Participation in a meeting may be available at one or more locations remote from the primary location of the meeting. See the header of this Agenda for possible teleconference locations. In such event, the teleconference location or locations will be fully accessible to members of the public. Members of the public who attend the meeting at a teleconference location will be able to hear the meeting and testify in accordance with applicable law and WETA policies.

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 Government Code section 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: March 14, 2013

RE: Executive Director's Report

PROJECT UPDATES

Clay Street Oakland Ferry Passenger Float - This project consists of replacing the existing passenger float in Oakland with a newly constructed float. The float was installed on Saturday January 5th. All punch list items have been completed.

Bay Breeze Vessel Refurbishment - The ferry vessel Bay Breeze has surpassed its economic mid-life. This project consists of converting the propulsion to a conventional propeller system, refurbishment of the passenger cabin, extensive hull work, major system renovation, and replacement of control systems and navigation electronics. An RFP was released on October 31, 2012 and a pre-bid conference was held on November 14, 2012 and attended by ten individuals representing seven shipyards. Proposals were received on January 3, 2013 and staff has since worked to define and assess final project proposals. An item recommending award of a contract for this project is included on the March 14 meeting agenda.

Clipper Fare Media Implementation – Clipper is currently available as fare payment media for the Alameda/Oakland/South San Francisco, Alameda/Oakland/San Francisco, and Alameda Harbor Bay/San Francisco routes. WETA is working with MTC to develop software programming and acquire equipment required to implement Clipper for the Vallejo ferry service. Based upon MTC's projected schedule, Clipper should be available for the Vallejo service by the start of 2014.

North Bay Operations and Maintenance Facility – This project will construct a new ferry maintenance facility located at Building 165 on Mare Island in Vallejo in three phases. As currently planned, Phase Zero -- site preparation, demolition and abatement -- would be completed prior to landside construction work. Phase One will construct landside improvements including a 48,000 gallon fuel storage and delivery system, a new warehouse, and renovation of Building 165. Phase Two will construct a system of modular floats and piers, gangways, and over-the-water utilities. Finally, the existing ferry maintenance facility (Building 477) will be cleaned up as required prior to surrender to Lennar Mare Island, the property owner of the land portion of the project site. This project was transferred to WETA for implementation as a part of the July 2012 Vallejo service transfer.

This project was originally developed and designed by the City of Vallejo, which issued an RFP for project construction in Fall 2011. Bids received by the City significantly exceeded funds available, and all bids were rejected. On December 15, 2011, the California Transportation Commission approved a 20-month extension for the \$4.2 million STIP grant allocated to the project to provide time to re-design and re-bid the project; extending the deadline for construction contract award to August 2013.

The NEPA environmental review work for the Navy waterside portion of the project on behalf of the US Navy is underway. The Navy must complete this documentation prior to entering into a lease with WETA to use the waterside portion of the site. Concurrently, WETA is negotiating the terms and conditions of a lease/ownership agreement with Lennar Mare Island.

An RFQ for construction management services for the project was released on November 9, 2012. Submittals in response to the RFQ were received on December 14, 2012. At the February 2013 Board of Directors approved the contract award for construction a management services to Weston Solutions. Staff has been working to execute the contract and anticipates completion of his task during the week of March 11, 2013. Staff is continuing with work with consultant team on the design and specifications for the preconstruction/site preparation work and construction of the landside and waterside facilities. Staff anticipates going out to bid for the pre-construction/site preparation work in Spring 2013 with the landside and waterside packages to follow.

Central Bay Operations and Maintenance Facility - This project will develop an operations and maintenance facility at Alameda Point to serve as the base for WETA's existing and future central bay ferry fleet. The proposed project would provide running maintenance services such as fueling, engine oil changes, concession supply and light repair work for WETA vessels. The new facility will also serve as WETA's Operations Control Center for day-to-day management and oversight of service, crew, and facilities. In the event of a regional emergency, the facility would function as an Emergency Operations Center, serving passengers and sustaining water transit service for emergency response and recovery.

The US Fish and Wildlife service recently issued its Biological Opinion for the project, concluding the consultation process initiated by FTA under Section 7 of the Endangered Species Act. Staff is coordinating with FTA to approve and file a NEPA Categorical Exclusion for the project, which would represent completion of the environmental review process for this project.

Richmond Ferry Service – This service will provide an alternative transportation link between the City of Richmond and downtown San Francisco. The environmental and conceptual design work includes plans for replacement of an existing facility (float and gangway) and a phased parking plan. Staff is working with City of Richmond staff and representatives of Orton Development Inc. to develop the plans. Environmental review for the project is underway. Public and resource agency scoping meetings were held in June. The purpose of the meetings was to present information on the proposed project and to provide an opportunity for comment on the scope of the environmental analysis. The CEQA Initial Study/Mitigated Negative Declaration is anticipated to be published in the next two to three months. Staff continues to conduct stakeholder outreach with the City and other agencies including Contra Costa Transportation Authority (CCTA) and the Bay Conservation and Development Commission. Staff is also initiating the Section 7 and Essential Fish Habitat consultation with NOAA and NMFS.

Berkeley Ferry Service – This service will provide an alternative transportation link between Berkeley and downtown San Francisco. The environmental and conceptual design work includes plans for shared of an existing City owned parking lot at the terminal site between ferry and local restaurant (H^s Lordships) patrons. City participation is required in order to move the project forward and reach agreement on a shared use concept. The project will require a conditional use permit reviewed by the City's Planning Commission, Zoning Adjustment Board, and City Council. Staff also discussed options to expedite the project through the conditional use permit process.

Staff is working with the environmental consultant to complete the Final EIS/EIR. The Final EIS/EIR was submitted to FTA review in early October. Staff is consulting with the NOAA and the NMFS on completion of Section 7 consultation and Essential Fish Habitat Assessment for the project. The assessments were prepared in compliance with legal requirements set forth under Section 7 of the Endangered Species Act and the Magnuson-Stevens Fishery Act. NOAA and NMFS will issue a Biological Opinion on the project. Staff is continuing to work with NOAA and NMFS on the proposed mitigation plan for the project. The BO is required prior to completion of the Final EIS/EIR.

Treasure Island Service – This project, which will be implemented by the Treasure Island Development Authority (TIDA), the Mayor's Office of Economic and Workforce Development and the prospective developer, will institute new ferry service to be operated by WETA between Treasure

Island and downtown San Francisco in connection with the planned Treasure Island Development Project.

Downtown San Francisco Ferry Berthing Expansion - This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new ferry services to San Francisco as set forth in WETA's Implementation and Operations Plan. The proposed project would also include landside improvements needed to accommodate expected increases in ridership and to support emergency response capabilities if a catastrophic event occurs.

WETA has received comments from FTA and Cooperating Agencies on the Administrative Draft EIS/EIR. Pending WETA's response to comments received from the reviewing agencies, staff expects to release a Draft EIS/EIR for public comment in May 2013.

Hercules Environmental Review/Conceptual Design - In Spring of 2012 staff met with the City of Hercules to receive an update on the environmental review status, current phasing plan, funding and schedule for the Intermodal Transit Center project; a pre-requisite project to a ferry terminal at this site. Based upon this discussion, it appears that funding is in place to construct the initial phases of the Intermodal Transit Center but that the project will not advance to such a point that ferry terminal construction could begin until 2017, at the earliest. As a result, City and WETA staffs have agreed that continuing the environmental review process for a potential ferry terminal at this site is not prudent at this time given the limited shelf life of this work. Staff will remain in contact with the City to coordinate any future ferry terminal work as the Transit Center project moves forward. This information is reflected in the WETA Short Range Transit Plan.

Antioch, Martinez and Redwood City Ferry Service Projects – These projects involve conceptual design and environmental review for potential future ferry services to the cities of Antioch, Martinez, and Redwood City. Draft site feasibility reports have been prepared and distributed to the cities for review. The feasibility reports were prepared to identify site constraints and design requirements to better understand project feasibility and cost. Staff is continuing to work with city staff to review the draft reports and determine appropriate next steps for the respective planning and environmental processes. Staff presented the findings of the Antioch site feasibility report to the Antioch City Council on February 12, 2013. The presentation included an overview of next steps for the project. Staff is coordinating with Martinez and Redwood City on similar efforts.

Contra Costa County Ferry Subcommittee – Staff is working with the Contra Costa Transportation Authority (CCTA) and representatives from the cities of Antioch, Martinez, Hercules and Richmond to study implementation of ferry expansion services in Contra Costa County. The subcommittee will produce a "white paper" to outline opportunities and challenges associated with each potential terminal site and service. The "white paper" will also examine the operational and capital cost for potential terminals and services and explore funding plans for each. Results of this study will inform stakeholders on specific site and service details for discussion and development of a countywide approach to developing services and funding support. The subcommittee met on February 21, 2013 to initiate the "white paper" effort. CCTA is leading this effort.

UPDATE ON RELEVANT PROJECTS IMPLEMENTED BY OTHER AGENCIES

Warriors Arena – The Golden State Warriors basketball team has proposed an Arena/Mixed use development at Piers 30/32 on the San Francisco waterfront that would potentially include a ferry berthing facility to accommodate direct ferry service to games and events at the proposed arena. WETA staff has met with the Warriors organization as well as with the Port of San Francisco and Municipal Transportation Authority staff over the past year to discuss this proposal. A Notice of Preparation was released in December 2012 and WETA submitted comments in January, 2013. Staff will continue to coordinate with the development team and City staff as the project progresses through the environmental process.

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.

The Vallejo Station Parking Structure will be constructed in two phases. Phase A Parking Structure is complete and now open. The procurement for the Parking Access and Revenue Control System (PARCS) was initiated last month. The City of Vallejo anticipates paid parking to be effective by March 2013. The few months in between shall be considered a grace period which will help fine tune the operations of the garage. Additional traffic and parking signs, which will accompany the PARCS will be procured and installed within the next month. Relocation of the Post Office is still on a stand still. Construction of Phase B of the parking structure is dependent upon the City securing funding and the relocation of the U.S. Post Office.

OUTREACH, PUBLIC INFORMATION, AND MARKETING EFFORTS

On February 7, Nina Rannells attended the Vallejo Chamber Government Affairs Committee monthly meeting.

On February 8, Lauren Gularte attended the Regional DBE Business Outreach Committee.

On February 12, Chad Mason and Kevin Connolly presented to the Antioch City Council.

On February 13, WETA staff attended an opening celebration for a new flap sign displaying ferry arrivals and departures at the San Francisco Ferry Building.

On February 14, Keith Stahnke attended the MTC Trans Response Plan (TRP) Steering Committee Meeting.

On February 21, Chad Mason and Kevin Connolly attended a CCTA Ferry Subcommittee meeting.

On February 26, Nina Rannells attended a ribbon cutting ceremony to celebrate the completion of the James R Herman Cruise Ship Terminal on Piers 27/29.

On March 7, Lauren Gularte represented WETA at the Alameda County Grand Jury inquiry into transit agencies' response to the June 14 BART fire. Other agencies present included MTC, BART, AC Transit and SFMTA.

On March 8, Lauren Gularte attended the Regional DBE Business Outreach Committee.

OPERATIONS REPORT

The monthly operations statistics report covering January 2013 is provided as Attachment 1.

ADMINISTRATION

Attachment 2 includes FY 2012/13 financial statements for seven months ending January 2013, including the Statement of Revenues and Expenses and the Statement of Capital Programs and Expenditures.

OTHER

AB 935 (Frazier) – This bill would amend Section 66540.12 of the Government Code relating to the terms of the San Francisco Bay Area Water Emergency Transportation Authority Board of Directors. More information on this bill is included in the standing legislative report.

Attachment 1

**Monthly Operations Statistics Report
January 2013**

		Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo	Systemwide
Ridership	Total Passengers January 2013	28,592	17,594	3,193	45,528	94,907
	Total Passengers January 2012	25,411	14,795	n/a	42,068	82,274
	Percent change	12.52%	18.92%	n/a	8.22%	15.35%
	Total Passengers Current FY To Date	356,013	115,716	20,753	411,840	904,322
	Total Passengers Last FY To Date	323,291	97,359	n/a	398,521	819,171
	Percent change	10.12%	18.85%	n/a	3.34%	10.39%
	Avg Weekday Ridership January 2013	1,300	800	145	1,860	4,105
Passengers Per Hour		96	133	24	91	89
Ops Stats	Revenue Hours	297	132	132	503	1,064
	Revenue Miles	3,201	2,589	1,742	13,480	21,013
Fuel	Fuel Used (gallons)	28,167	13,085	16,002	102,957	160,211
	Avg Cost per gallon	\$3.47	\$3.47	\$3.47	\$3.41	\$3.45

Attachment 2

San Francisco Bay Area Water Emergency Transportation Authority
FY 2012/13 Statement of Revenues and Expenses
For Seven Months Ending 01/31/2013

% of Year Elapsed 58.7%

	Current Month	Prior Year Actual	2012/13 Budget	2012/13 Actual	% of Budget
OPERATING EXPENSES					
<u>PLANNING & GENERAL ADMIN:</u>					
Wages and Fringe Benefits	114,254	1,269,738	1,434,800	732,660	51.1%
Services	40,320	2,388,779	1,979,100	386,730	19.5%
Materials and Supplies	1,975	47,917	258,100	5,396	2.1%
Utilities	844	14,956	16,000	4,109	25.7%
Insurance	3,880	28,578	33,000	(6,303)	-19.1%
Miscellaneous	9,671	306,710	128,000	54,823	42.8%
Leases and Rentals	22,318	268,610	266,000	152,414	57.3%
Admin Overhead Expense Transfer	(150,391)	-	(984,000)	(605,136)	61.5%
Sub-Total Planning & Gen Admin	42,870	4,325,288	3,131,000	724,692	23.1%
<u>FERRY OPERATIONS:</u>					
<u>Harbor Bay FerryService</u>					
Purchased Transportation	114,109	1,098,946	1,122,000	714,217	63.7%
Fuel - Diesel & Urea	45,363	404,896	531,300	268,058	50.5%
Other Direct Operating Expenses	28,432	341,174	411,400	246,285	59.9%
Admin Overhead Expense Transfer	24,801	-	116,700	79,261	67.9%
Sub-Total Harbor Bay	212,705	1,845,016	2,181,400	1,307,822	60.0%
<u>Alameda/Oakland Ferry Service</u>					
Purchased Transportation	294,868	3,015,472	3,702,300	2,250,940	60.8%
Fuel - Diesel & Urea	97,646	1,131,900	1,454,300	774,975	53.3%
Other Direct Operating Expenses	22,690	732,809	737,600	283,915	38.5%
Admin Overhead Expense Transfer	41,618	-	265,000	164,152	61.9%
Sub-Total Alameda/Oakland	456,821	4,880,181	6,159,200	3,473,983	56.4%
<u>Vallejo FerryService</u>					
		<i>(Operated by City of Vallejo)</i>			
Purchased Transportation	539,144	6,240,622	6,538,500	4,127,876	63.1%
Fuel - Diesel & Urea	350,752	3,965,227	6,009,500	2,828,352	47.1%
Other Direct Operating Expenses	101,149	2,041,094	1,042,280	689,164	66.1%
Admin Overhead Expense Transfer	56,384	258,786	455,100	266,060	58.5%
Sub-Total Vallejo	1,047,430	12,505,729	14,045,380	7,911,452	56.3%
<u>South San Francisco FerryService</u>					
		<i>(Service launched on 6/4/12)</i>			
Purchased Transportation	200,095	122,092	2,083,400	1,107,825	53.2%
Fuel - Diesel & Urea	55,475	44,197	841,500	329,072	39.1%
Other Direct Operating Expenses	25,692	4,096	322,000	191,998	59.6%
Admin Overhead Expense Transfer	27,588	-	147,200	95,662	65.0%
Sub-Total South San Francisco	308,850	170,384	3,394,100	1,724,557	50.8%
Total Operating Expenses	2,068,677	23,726,598	28,911,080	15,142,506	52.4%
Total Capital Expenses	753,612	32,496,198	25,389,571	5,868,870	23.1%
Total Expenses	2,822,289	56,222,796	54,300,651	21,011,376	38.7%
OPERATING REVENUES					
Fare Revenue	641,817	9,465,348	9,717,441	6,153,611	63.3%
Local - Bridge Toll	1,426,724	14,149,730	18,985,189	8,987,665	47.3%
Local - Property Tax and Assessments	-	78,192	206,450	-	0.0%
Local - Other Revenue	136	33,328	2,000	1,231	61.5%
Total Operating Revenues	2,068,677	23,726,598	28,911,080	15,142,506	52.4%
Total Capital Revenues	753,612	32,496,198	25,389,571	5,868,870	23.1%
Total Revenues	2,822,289	56,222,796	54,300,651	21,011,377	38.7%

Attachment 2

**San Francisco Bay Area Water Emergency Transportation Authority
FY 2012/13 Statement of Capital Programs and Expenditures
For Seven Months Ending 01/31/2013**

Project Description	Current Month	Project Budget	Prior Year Actual	2012/13 Budget	2012/13 Actual	Future Year	% of Project
CAPITAL EXPENSES							
FACILITIES EXPANSION							
Future Expansion Service Studies:							
Berkeley Terminal - Environ/Concept Design	5,916	2,335,000	2,053,018	281,982	64,565	-	91%
Richmond Terminal - Environ/Concept Design	14,824	812,500	197,224	615,276	221,130	-	51%
Redwood City - Environ/Concept Design	(5,400)	812,500	108,535	75,965	8,679	628,000	14%
Antioch - Environ/Concept Design	1,986	812,500	98,047	250,000	31,003	464,453	16%
Martinez - Environ/Concept Design	(5,193)	812,500	137,979	74,521	12,737	600,000	19%
SF Berthing Expansion - Environ/Concept Design	21,243	3,300,000	1,919,679	1,380,321	258,999	-	66%
Terminal/Berthing Expansion Construction:							
Pier 9 Mooring Facility	-	3,150,000	3,138,848	11,152	4,524	-	99%
SSF Oyster Mitigation	-	275,000	49,470	50,000	18,153	175,530	25%
SSF Terminal Construction	10,730	26,000,000	23,943,585	2,056,415	176,079	-	93%
Berkeley Terminal - Final Design	-	3,200,000	-	800,000	-	2,400,000	0%
Maintenance & Operations Facilities:							
North Bay Operations & Maintenance Facility	95,494	25,500,000	-	4,862,500	260,306	20,637,500	1%
Central Bay Ops & Maint Facility - Environ/Concept Design	41,693	952,500	608,021	344,479	245,138	-	90%
Central Bay Ops & Maint Facility - Final Design	-	3,647,500	-	2,742,500	-	905,000	0%
FACILITIES REHABILITATION							
Channel Dredging:							
Channel Dredging - Harbor Bay	26,500	410,000	26,879	383,121	307,238	-	81%
Passenger Floats & Gangways:							
Gangway Rehabilitation - Main Street Terminal	-	125,000	-	125,000	-	-	0%
Gangway & Float Rehab - Harbor Bay Terminal	-	240,000	-	240,000	-	-	0%
Spare Float Rehabilitation - Vallejo	(2,938)	470,000	-	470,000	187	-	0%
Passenger Float Replacement - Clay Street Terminal	68,910	2,410,000	119,145	2,290,855	1,973,652	-	87%
Terminal Rehabilitation:							
Terminal Fac Improvement - Harbor Bay & Maint St.	-	250,000	-	250,000	1,872	-	1%
FERRY VESSELS							
Major Component Rehab/Replacement:							
Vessel Engine Overhaul - Encinal	473,593	803,564	2,708	800,856	770,790	-	96%
Purchase of Inflatable Buoyancy Apparatus	-	127,500	-	127,500	-	-	0%
Communications Equipment	-	182,000	39,737	142,263	3,406	-	24%
Vessel Mid-Life Repower/Refurbishment:							
Vessel Mid-Life Repower/Refurbishment: - Bay Breeze	6,256	5,015,000	53,323	4,961,677	89,846	-	3%
Vessel Mid-Life Repower/Refurbishment: - Mare Island	-	1,803,188	-	1,803,188	1,420,567	-	0%
Vessel Expansion/Replacement:							
Purchase Replacement Vessel	-	15,000,000	-	250,000	-	14,750,000	0%
Total Capital Expenses	753,612	98,446,252	32,496,198	25,389,571	5,868,870	40,560,483	
CAPITAL REVENUES							
Federal	415,437	24,497,904	13,010,685	10,763,218	2,257,183	724,000	62%
State	226,177	57,999,504	6,776,762	11,386,258	2,964,809	39,836,483	17%
Local - Bridge Toll	107,610	5,297,431	4,620,197	677,234	645,110	-	99%
Local - San Mateo Sales Tax Measure A	3,137	9,640,764	8,077,889	1,562,875	(16,199)	-	84%
Local - Alameda Sales Tax Measure B	1,251	1,010,650	10,665	999,985	17,968	-	3%
Total Capital Revenues	753,612	98,446,252	32,496,198	25,389,571	5,868,870	40,560,483	

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Peter Friedmann
Of Counsel

DATE: March 8, 2013

TO: WETA Board Members

FROM: Peter Friedmann
202-783-3333 OurManInDC@federalrelations.com

SUBJECT: Report to the Board: March 2013

This Congress has been in Session less than 2 months and we have seen what the coming year portends – endless debate over Federal spending. This is not just partisan politics, there are two very different views of the role and size of government being advocated, and each side believes theirs is the best for the country. The President and Senate Democrats (who control the Senate) on one side, the House Republicans (who control the House) on the other. It is unlikely that this Congress will seriously consider any major legislation not related to the budget and spending. As explained below, this has a very direct impact on federal funding for ferries generally, and for WETA.

We currently have two spending conflicts, simultaneously: Sequestration and the Continuing Resolution. This Report updates on both. However, these are rapidly moving targets, so we are in regular, daily, contact with Nina Rannells.

Continuing Resolution

When Congress does not pass a budget before the beginning of a Fiscal Year, they pass interim budgets, sometimes extending 6 months, sometimes as short as 30 days. This obviously makes it very difficult for the federal agencies to plan their programs and activities, as they do not know how much money they will have available to spend for the entire year. These interim budgets are called Continuing Resolutions (CR). The current CR expires at the end of March, so Congress is attempting to pass a new CR that would provide the spending levels from April 1 through the end of the fiscal year, September 30, 2013. Here we are seeing the battle over federal spending being played out, once again.

The House of Representatives has just now passed a Continuing Resolution (CR), funding the Federal government through the end of the fiscal year (Sept 30, 2013). One of the many programs cut, in their effort to cut spending generally, was MAP-21 which funds highways, transit, etc. Specifically it does not provide funding for any new grant programs created under MAP-21, including the FTA ferry grant program. However the Senate is not going to accept the House-passed bill.

We believe (again, it's a moving target) that the Senate is going to insist on a number of changes, including full funding for MAP-21. We are concerned because even the two authors of MAP-21 are not in agreement. Senator Boxer (Chair of the Senate Committee that wrote MAP-21) is vigorously advocating for full funding for MAP-21 while Congressman Shuster (Chair of the House Committee that wrote MAP-21) is supporting the cuts. If the Senate is successful, the ferry grant program will be funded. Keep in mind that MAP-21 is only one

of many federal programs caught in this battlefield over the role and size of government. The one certainly is that the House and Senate will have to reconcile their differences before the Easter Recess. We will know the fate of the ferry grant program for this Fiscal Year, within a week.

Sequestration

After months of staring each other down, Democrats and Republicans on Capitol Hill let sequestration go into effect on March 1. Whether these automatic budget cuts are reversed or otherwise modified – or if Federal agencies are allowed discretion when implementing the cuts – remains an open question, and one that will unlikely be answered for months. This is because the effects of sequestration will not be felt immediately; in fact, the first effects of sequestration will probably not be felt until mid-April when widespread furloughs are expected to go into effect.

Even then, with furloughs ranging between 1 and 2 days per month, will the impact be felt? Fewer Customs and Border Protection (CBP) officials will be at the Ports, fewer air traffic controllers will be managing flights, fewer FDA inspectors are on the job, but are the reductions sufficient to change government services appreciably? If the public is not outraged, we can expect the cuts staying in place.

If too much time passes without Congress undoing or modifying the sequester, these new, much lower levels of spending will become the new norm. In fact, the Continuing Resolution that Congress is expected to pass later this month (to fund the Federal government through the end of Fiscal Year 2013) reflects the level of spending required by sequestration. 2013 is the first year the automatic cuts are in place; barring any action by Congress, sequestration will be in effect for the next ten years.

What is Sequestration and How Did it Come to Be?

Sequestration is the result of the Budget Control Act of 2011. This legislation created the so-called Supercommittee, which was tasked with reducing the Federal budget deficit by \$1.2 trillion over the next ten years. When the Supercommittee failed to produce a deficit reduction package, automatic cuts totaling \$1.2 trillion over the next ten years were scheduled to go into effect, beginning in January, 2013. Approximately half of those cuts were scheduled to come from defense programs; the other half come from non-defense discretionary programs. Medicare accounts for a small portion of the cuts while Social Security and Medicaid were held harmless.

The Office of Management and Budget (OMB) calculates that, over the course of FY13, the sequestration will result in a 7.8 percent reduction in defense discretionary funding and a 5 percent reduction in nondefense discretionary funding. The sequestration will also result in reductions of 2 percent to Medicare, 5.1 percent to other nondefense mandatory programs, and 7.9 percent to defense mandatory programs.

Sequestration was designed to be so bad that neither Democrats nor Republicans would let it take effect, but it has proved difficult to undo. For Republicans, the automatic, across-the-board spending cuts are an increasingly palatable option among deficit hounds, even if it means opposing their party's defense hawks, who staunchly oppose the deep cuts to military spending. Democrats, on the other hand, would prefer to replace some of the spending cuts with new additional revenues (taxes) – an approach that is a nonstarter with Republicans. And Democrats refuse to entertain the Republican preference of replacing the military decreases with cuts to other programs.

What Does Sequestration Mean for Ferry Programs?

Since MAP-21 was funded by the Federal Highway Trust Fund, it was not subject to sequestration. Therefore, both the Federal Highway Administration formula grants and the Discretionary Federal Transit Administration grants can proceed. However, as Congress is currently attempting to write a Continuing Resolution to keep the government operating for the remainder of the current fiscal year, the status of the funding is unclear. As of this week, the House is likely to pass a CR that would severely reduce all ferry funding. However this is uncertain, at best. And the Senate has said already that such severe cuts in MAP-21 are a “non-starter”, meaning that ferry funding will continue to flow during this fiscal year.

Respectfully Submitted,

Peter Friedmann
WETA Federal Representative

MEMORANDUM

TO: WETA Board Members

FROM: Barry Broad & Shane Gusman
State Lobbyists

DATE: March 14, 2013

RE: State Legislative Report

Assembly Bill 935, introduced by Assembly Member Frazier and co-authored by Assembly Member Bonilla, on February 22, 2013, is an act to amend Section 66540.12 of the Government Code relating to the terms of the San Francisco Bay Area Water Emergency Transportation Authority Board of Directors

Existing law provides for a board of directors made up of five members, three of which are appointed by the Governor and one each by the Senate Committee on Rules and the Speaker of the Assembly. Each member of the board of directors must be a resident of a county in the bay area region.

This bill, as introduced, would result in two significant changes to the board of directors as described below:

- Expands Board from Five to Seven Members – The number of board members would increase from five to seven by expanding the number of members appointed by the Senate Committee on Rules and the Speaker of the Assembly from one to two members each. The initial terms of the additional members would be 2 years for the Senate Committee on Rules and 6 years for the Speaker of the Assembly.
- Restrict Governor's Appointments – The bill would require two of the three Governor's appointments to be from specific geographic areas. More specifically, it would require one of the Governor's appointments to be a resident of Contra Costa County selected from a list of 3 nominees provided by the Contra Costa Transportation Authority and one to be a resident of San Mateo County selected from a list of 3 nominees provided by the San Mateo County Transportation Authority.

The bill is sponsored by the author. At this point, the author's office reports that no letters of support or opposition have been received on the measure.

A copy of AB 935, as introduced on February 22, 2013, is attached.

ASSEMBLY BILL

No. 935

**Introduced by Assembly Member Frazier
(Coauthor: Assembly Member Bonilla)**

February 22, 2013

An act to amend Section 66540.12 of the Government Code, relating to the San Francisco Bay Area Water Emergency Transportation Authority.

LEGISLATIVE COUNSEL'S DIGEST

AB 935, as introduced, Frazier. San Francisco Bay Area Water Emergency Transportation Authority: terms of board members.

Existing law establishes the San Francisco Bay Area Water Emergency Transportation Authority (WETA) with specified powers and duties, including, but not limited to, the authority to coordinate the emergency activities of all water transportation and related facilities within the bay area region, as defined.

Existing law provides for a board of directors, 3 members of which are appointed by the Governor and one each by the Senate Committee on Rules and the Speaker of the Assembly. Directors serve 6-year terms.

This bill would expand the number of members appointed by the Senate Committee on Rules and the Speaker of the Assembly to 2 members each. The bill would require that the initial terms of the additional members appointed by the Senate Committee on Rules and the Speaker of the Assembly pursuant to its provisions shall be 2 years and 6 years, respectively. The bill would also require that one of the members appointed by the Governor be selected from a list of 3 nominees provided by the Contra Costa Transportation Authority and

one from a list of 3 nominees provided by the San Mateo County Transportation Authority.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 66540.12 of the Government Code is
 2 amended to read:
 3 66540.12. (a) The authority shall be governed by a board
 4 composed of ~~five~~ *seven* members, as follows:
 5 (1) Three members shall be appointed by the Governor, subject
 6 to confirmation by the Senate. The Governor shall make the initial
 7 appointment of these members of the board no later than January
 8 11, 2008.
 9 (A) *One member appointed by the Governor shall be a resident*
 10 *of the County of Contra Costa and shall be selected from a list of*
 11 *three nominees provided by the Contra Costa Transportation*
 12 *Authority.*
 13 (B) *One member appointed by the Governor shall be a resident*
 14 *of the County of San Mateo and shall be selected from a list of*
 15 *three nominees provided by the San Mateo County Transportation*
 16 *Authority.*
 17 (2) ~~One member~~ *Two members* shall be appointed by the Senate
 18 Committee on Rules.
 19 (3) ~~One member~~ *Two members* shall be appointed by the Speaker
 20 of the Assembly.
 21 (b) Each member of the board shall be a resident of a county in
 22 the bay area region.
 23 (c) Public officers associated with an area of government,
 24 including planning or water, whether elected or appointed, may
 25 be appointed to serve contemporaneously as members of the board.
 26 A public agency shall not have more than one representative on
 27 the board of the authority.
 28 (d) The Governor shall designate one member as the chairperson
 29 of the board and one member as the vice chairperson of the board.
 30 (e) Except as provided in ~~subdivision (f)~~ *subdivisions (f) and*
 31 *(g)*, the term of a member of the board shall be six years.
 32 (f) (1) The appointments next following the expiration of the
 33 terms of the initial appointments shall be for the following terms:

1 (A) Two of the members appointed by the Governor shall serve
2 terms of two years and one shall serve a term of six years.

3 (B) The member appointed by the Senate Committee on Rules
4 shall serve a term of four years.

5 (C) The member appointed by the Speaker of the Assembly
6 shall serve a term of four years.

7 (2) Each member appointed after the expiration of the terms set
8 forth in subparagraphs (A) to (C), inclusive, of paragraph (1) shall
9 serve a term of six years.

10 (g) *The initial terms for additional appointees of the Senate*
11 *Committee on Rules and the Speaker of the Assembly added to the*
12 *authority pursuant to the act that added this subdivision shall be*
13 *the following:*

14 (1) *The additional member appointed by the Senate Committee*
15 *on Rules shall serve a term of two years.*

16 (2) *The additional member appointed by the Speaker of the*
17 *Assembly shall serve a term of six years.*

18 ~~(g)~~

19 (h) Vacancies shall be filled immediately by the appointing
20 power for the unexpired portion of the terms in which they occur.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING

(February 7, 2013)

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 1:05 p.m. Additional Directors present were Vice Chair Anthony Intintoli, Director Gerald Bellows and Director Timothy Donovan. Chair Johnson led the pledge of allegiance.

2. REPORT OF BOARD CHAIR

No report.

3. REPORT OF DIRECTORS

No report.

4. REPORTS OF STAFF

Executive Director Nina Rannells reported that Director Bellows had brought to staff's attention an \$89 million vessel in Alaska that was being offered free of charge. Ms. Rannells then introduced Operations Manager Keith Stahnke who advised the Board that after examining the particulars, the one-off ice breaking vessel was not found to be suitable as there were no compatible docking facilities for the vessel in the Bay Area. Mr. Stahnke added that the vessel is not well-suited for passenger transit and maintenance costs were estimated at \$1 million per year.

Director Bellows responded that it had caught his attention for potential use as ready vehicular transport for emergency response. Mr. Stahnke said that the vessel was rated for 120 passengers and 20 cars and that it would be difficult to adapt it for one or the other. Mr. Stahnke noted that the vessel was designed for beach landings and that the Alaska Marine Highway System had already passed on it due to its estimated \$90,000 per month maintenance cost. Director Donovan said he felt that this was too much for an emergency vehicle that would have limited ability to dock anywhere.

Ms. Rannells then directed the Board's attention to the report of WETA's federal legislative representative Peter Friedmann of Lindsay, Hart, Neil & Weigler, LLP outlining the work Mr. Friedmann had been focused on regarding the formula for distributing Federal Ferry Boat Discretionary funds administered by the Federal Highway Administration (FHWA). She indicated that FHWA has preliminarily indicated that WETA would receive approximately \$425,000 funds from this annually to support agency capital needs.

Ms. Rannells introduced WETA's state representative, Barry Broad of Broad & Gusman, LLP, who delivered a state legislative report. Mr. Broad reported that there were no bills in the current session which he anticipated would affect WETA. He reminded the Board that their terms were all expiring at the end of the year and that the positions would be reappointed to staggered terms. He said that applications were now being accepted for gubernatorial appointments, but the Assembly and Senate both thought it was too early to receive applications at this time.

Mr. Broad recommended that individual Board members consider visiting district offices in their roles as constituents in order to introduce themselves to their new representatives and deliver background and updates regarding WETA's activities. Mr. Broad emphasized the importance of developing these relationships.

Chair Johnson asked if Mr. Broad could arrange these meetings. Mr. Broad replied that he could assist Ms. Rannells, adding that the best time to catch representatives in their local district offices was generally later on Thursdays and early on Fridays.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve the consent calendar which included the minutes from the January 10, 2013 meeting. Director Bellows seconded the motion and the item carried unanimously.

6. APPROVE AMENDMENT NO. 4 TO THE CONTRACT WITH URS CORPORATION FOR ENVIRONMENTAL REVIEW AND PERMITTING RELATED TO THE BERKELEY FERRY TERMINAL PROJECT

Planner/Analyst Chad Mason presented this item requesting that the Board approve Amendment No. 4 to the contract with URS Corporation, authorizing \$100,000 in additional funds to cover completion of the Environmental Impact Statement/Environmental Impact Report and Endangered Species Act Section 7, and to authorize the Executive Director to execute the contract amendment.

Director Donovan asked if there was a not-to-exceed cost for this project. Mr. Mason replied that there was. Vice Chair Intintoli said that he felt it was important to time the Berkeley project carefully and make sure that funding sources for operations be identified before getting ahead of the project and spending too much on environmental review. He then reiterated his concern that WETA's capital funding exceeded identified sources for funding of ongoing service operations. He said that that he would never vote to curtail existing services in order to fund new services, emphasizing that it would be essential to coordinate the sourcing of operations funding for new and existing routes.

Ms. Rannells thanked the Vice Chair for his comments and pointed out that it highlighted the issue currently being discussed with the Contra Costa County cities, noting the robust dialogue underway regarding the need for both capital construction and ongoing operating funds to support the development of new ferry services.

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

7. APPROVE CONTRACT AWARD FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE VALLEJO FERRY MAINTENANCE AND OPERATIONS FACILITY

Mr. Mason presented this item requesting that the Board approve a contract award for construction management services for the Vallejo Ferry Maintenance and Operations Facility to Weston Solutions Inc. in an amount not to exceed \$1,400,000, and to authorize the Executive Director to negotiate and execute a final contract and take any other such related actions to support this work.

Director Donovan asked if the \$ 1.4 million was only for construction management services. Mr. Mason said that it was. Mr. Donovan then asked if the project labor agreements that had been in place with the City of Vallejo and Lennar would be considered as the project moved forward. WETA legal counsel Stanley Taylor III of Nossaman LLP noted that the agreement was expressly made to be not technically applicable to WETA's procurement process, but that was not to say it could not be considered. Mr. Donovan asked that it be considered.

Public Comment

Leah Dreger of Weston Solutions thanked the board for the opportunity to provide these services and offered to answer any questions.

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

8. APPROVE ACTIONS RELATED TO SPARE FLOAT REHABILITATION PROJECT INCLUDED IN THE FY 2012-13 CAPITAL BUDGET

Mr. Stahnke presented this item recommending Board approval of several actions related to the Spare Float Rehabilitation Project included in the FY 2012/13 Capital Budget, including a re-scope of the project from rehabilitation of an existing float to construction of a new float, an increase of the project budget from \$470,000 to \$3,300,000, and to authorize the release of a Request for Qualifications for Construction Management Services to support project development and construction.

Director Donovan asked what would be done with the old float. Mr. Stahnke replied that the old float was not viable for reuse and would be scrapped. Ms. Rannells noted that this re-scoped project would provide the opportunity to design and build a new float that is appropriately sized to serve as a spare float for multiple facilities including the downtown San Francisco ferry berthing. Mr. Stahnke further added that the Port of San Francisco was twelve years into a ten year float maintenance cycle and that without a back-up float, WETA would potentially be left with a single terminal at the Ferry Building when the floats are eventually cycled out for maintenance work. Director Donovan asked if there were standards for float sizes. Mr. Stahnke replied that with so many facilities and vessels standardization was difficult but that flexibility of use was a key objective of this project.

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

9. APPROVE ACTIONS RELATED TO THE CLAY STREET GANGWAY & PIER REHABILITATION PROJECT

Mr. Stahnke presented this item recommending Board approval of actions related to the Clay Street Gangway & Pier Rehabilitation Project, including: amending the FY 2012/13 Capital Budget to add the Clay Street Gangway & Pier Rehabilitation Project at a total project budget of \$625,000, including \$30,000 in FY 2012/13; and to authorized the release of a Request for Qualifications for Construction Management Services for the Clay Street Gangway & Pier Rehabilitation Project.

Director Donovan asked if there would be a timing issue with multiple float projects. Mr. Stahnke responded that both projects consisted of many smaller tasks and that he anticipated that would be staggered and easily managed.

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

10. PUBLIC COMMENT

Bill Kelly, Council Member, City of Hercules, thanked the Board for considering the City's comments in regard to the final SRTP approved at the January WETA Board of Directors meeting. He said that staff would continue to be available to work with WETA.

11. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 1:55 p.m. Upon reopening of the meeting at 3:00 she reported that no action had been taken.

12. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:00 p.m.

Respectfully Submitted,

Board Secretary

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Manager, Operations

SUBJECT: Approve Contract Amendment with Fast Ferry Management, Inc. for Marine Services

Recommendation

Approve Amendment No. 5 to the agreement with Fast Ferry Management, Inc. to extend the term of the contract from March 24, 2013 through June 30, 2014 for a not to exceed amount of \$315,000 and authorize the Executive Director to execute the amendment.

Background/Discussion

Fast Ferry Management has provided oversight and management services for the Vallejo Ferry Service since 1994 including overall system management, monitoring and oversight of the Blue and Gold Fleet operating and maintenance contract, program planning and capital improvement project management. The current contract with Fast Ferry Management was approved by the City of Vallejo on March 26, 2007, with an option for up to five contract extensions. The contract has been amended four times since to extend the performance period under largely the same terms as the original contract. This contract was assigned to WETA on July 1, 2012 as a part of the Vallejo ferry system transfer and is set to expire on March 24, 2013, unless amended.

Fast Ferry Management, Inc. has provided a high level of management in support of the Vallejo ferry service throughout the term of the contract and was key in assisting WETA and the City of Vallejo in completing the Vallejo service transition in July 2012. Over the years, Fast Ferry Management, Inc. has developed extensive knowledge of all aspects of the system operation and maintenance activities, system facilities and assets, service history, customers and key staff at partner agencies such as the City of Vallejo, Lennar Mare Island and SolTrans.

Staff recommends approval of Amendment No. 5 to the agreement with Fast Ferry Management, Inc. in order to extend the agreement through the end of FY 2013/14 (through June 2014) and ensure continuity in Vallejo service management and oversight.

The scope of work for this period would consist of general ferry service oversight, ferry operations contract monitoring, vessel and engine maintenance oversight, program planning, capital program and project oversight and reporting as further described in **Attachment 1**. These activities are consistent with the base contract as originally awarded and this amendment represents the fifth and final contract amendment.

Fiscal Impact

Sufficient funds are included in the FY 2012/13 operating and capital budget to cover the approximately \$70,000 cost associated with this contract amendment in FY 2012/13. The balance of contract funds, estimated at \$245,000, will be included in the FY 2013/14 operating and capital budget.

END

ATTACHMENT 1

SCOPE OF WORK FAST FERRY MANAGEMENT, INC. AGREEMENT WETA 12-016

Under direction of the WETA Manager of Operations, the Marine Services Manager (MSM) will provide the following services:

- Vallejo Ferry Service Management & Oversight - the Marine Services Manager (MSM), maintains responsibility for day to-day Vallejo ferry service operations not covered by WETA's contract with Blue and Gold Fleet (the Operator) for Operations. At the direction of WETA, the MSM undertakes all actions required to ensure safe, reliable, and efficient transportation for all Vallejo ferry customers. Preserve and protect all ferry assets, to include the ferry vessels, facilities, spare parts, tools, and other equipment and systems that are owned by WETA for the entirety of their economic life. Assist WETA staff as required with all aspects of Vallejo ferry planning. Included in the scope of work is liaison and coordination for the Route 200 express bus service; and the ticketing functions. Assist WETA staff in monitoring contractors' compliance with Federal, State, and local requirements. Report customer complaints and service issue to WETA. MSM shall review invoices related to operations and maintenance of the Vallejo Ferry Maintenance Facility, as well as invoices from the City of Vallejo related to maintenance items requested by WETA that affect the Vallejo service (ie. Ticket office, ADA doors, etc). As requested by WETA, MSM shall also be a liaison between the City of Vallejo and WETA for matters relating to the ferry service.
1. Vallejo Ferry Operations Contract Monitoring - MSM shall independently monitor the performance of the Operator in carrying out the duties and responsibilities of the contract in force between contractor and WETA for the operation and maintenance of the Vallejo ferry system. Review Operator's invoices for WETA processing. The invoice review will include a monthly review of the budget and a written explanation of any variance, and an assessment of how it may affect total annual costs.
 2. Vallejo Vessel & Engine Maintenance Oversight - MSM shall provide oversight for all routine and major vessel and diesel engine propulsion service, maintenance, and repair performed by contractors. Document performance provided under this contract, review invoices for WETA processing, and oversee scheduling and coordination of planned maintenance activities in concert with the ferry operations contractor.
 3. Vallejo Ferry System Program Planning - MSM shall provide assistance as required by WETA to plan all aspects of the Vallejo ferry service. Duties include short term and long term planning, economic analysis and

ATTACHMENT 1

SCOPE OF WORK FAST FERRY MANAGEMENT, INC. AGREEMENT WETA 12-016

management, budget planning and execution, ensuring compliance with all federal, state, and local laws and regulations, and any other such duties as required by WETA.

4. Capital Improvement Project Management - MSM shall provide project management services for various WETA vessel and facility capital projects that include, but are not limited to, design and construction of new ferry maintenance and fueling facilities (Mare Island & Central Bay), maintenance dredging, construction of new WETA vessels, and various other WETA capital vessel projects or maintenance activities. Project Management services include: technical oversight during the project development and design phases; overseeing the preparation of plans, specifications and cost estimates for procurement of bids; analysis and recommendations in the selection and award of contracts; administration of contracts; inspection of work to insure compliance with specifications; prepare written or oral communications as needed relative to projects.

5. Deliverables - the MSM shall provide the following deliverable reports in order to document the work performed under the five work items listed above.
 - Vallejo Weekly Ferry Report documenting weekly ridership, fuel consumption and costs, non-routine purchases greater than \$500, missed sailings, fiscal year to date data, key ferry economic indicators, linear ferry operating costs, revenues versus budget, and non-linear operating costs.

 - Other Vallejo Monthly Ferry Reports documenting and preparing monthly ridership data, NTD data, USACOE data, service reliability, engine hours, fuel usage and consumption numbers, revenue, and ferry budget performance.

RESOLUTION NO. 2013-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**APPROVE CONTRACT AMENDMENT NO. 5 TO AGREEMENT NO. 12-016 WITH FAST FERRY
MANAGEMENT, INC AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE CONTRACT
AMENDMENT**

WHEREAS, the City of Vallejo entered into the Principal Agreement with Fast Ferry Management, Inc. on March 26, 2007 for a not to exceed amount of \$143,112 to provide oversight and management services of the Vallejo Ferry System, including operations contract monitoring, maintenance oversight, program planning and capital improvement project management ("AGREEMENT"); and

WHEREAS, the City of Vallejo authorized Amendment No. 1 in March 2008 approving compensation in a not to exceed amount of \$143,112 extending the term of the agreement until March 24, 2009; and

WHEREAS, the City of Vallejo authorized Amendment No. 2 in March 2009 approving compensation in a not to exceed amount of \$541,033 and increasing the contract work scope; and

WHEREAS, the City of Vallejo authorized Amendment No. 3 in May 2010 approving compensation in a not to exceed amount of \$348,500 and increasing the contract work scope; and

WHEREAS, the City of Vallejo authorized Amendment No. 4 in October 2011 approving compensation in a not to exceed amount of \$418,000 and extending the agreement until March 23, 2013; and

WHEREAS, on July 1, 2012, the City of Vallejo assigned the Principal Agreement and all amendments to the San Francisco Bay Area Water Emergency Transportation Authority (AUTHORITY) in connection with the Ferry Service Operations Transfer Agreement by and between City of Vallejo and the AUTHORITY; and

WHEREAS, the AUTHORITY staff has recommended amending the AGREEMENT with the Fast Ferry Management, Inc. to approve compensation in a not to exceed amount of \$315,000 for marine management services from March 24, 2013 through June 30, 2014 as set forth in the Board report.

THEREFORE, BE IT RESOLVED THAT:

The Board of Directors of the Authority hereby approves Amendment No. 5 with the Fast Ferry Management, Inc. extending the contract performance period between March 24, 2013 through June 30, 2014 for an amount not to exceed \$315,000; and

BE IT FURTHER RESOLVED THAT:

The Executive Director is authorized to execute the agreement.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 14, 2013.

AYES:

NAYS:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2013-04

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Manager, Operations

SUBJECT: Approve Contract Award for Bay Breeze Refurbishment Project

Recommendation

Authorize award of a contract to Marine Group Boat Works for the refurbishment of the Bay Breeze vessel in an amount not to exceed \$4,288,700 and authorize the Executive Director to negotiate and execute the contract and to take all other actions and execute all other documents necessary to complete the work.

Background/Discussion

The ferry vessel Bay Breeze was transferred to WETA from the City of Alameda in April of 2011 as part of the Harbor Bay Ferry Service transition. Built in 1992 by Nichols Brothers Boat Builders, the Bay Breeze has surpassed its economic mid-life. In order to provide for continued safe and reliable operation, the vessel needs major refurbishment.

The scope of work to complete the refurbishment includes the following hull and major system renovation:

- The exterior of the vessel will be sandblasted to bare aluminum and repainted;
- Hull modifications will be made to convert the drive system to a propeller system and any necessary repairs will be completed;
- The passenger cabin, galley and heads will be renovated; and
- All control systems and navigation electronics will be replaced with new equipment.

The Bay Breeze refurbishment project will reduce daily operational costs by increasing fuel efficiency, reducing maintenance costs, and extending the useful life of the vessel to the full 25 year life expectancy.

Procurement Process:

A Best Value procurement process was utilized for this project consistent with the Authority's Administrative Code and Federal Transit Administration requirements. A Best Value procurement process considers both price and qualitative components of a proposal where the award is based on the combination of price and qualitative components that is deemed the most advantageous and of the greatest value to the procuring agency.

The Request for Proposals (RFP) was released on October 31, 2012. Notice of this RFP was sent to WETA's mailing list; posted on the Agency's website; and advertised with the Passenger Vessel Association, the San Francisco Examiner, and in the Regional DBE Business Outreach Committee quarterly newsletter.

On November 14, 2012, WETA hosted a Proposers' conference at Pier 9 and onboard the vessel which was attended by ten individuals representing nine shipyards and construction

firms. WETA staff issued two addenda to the original RFP clarifying the specifications set forth in the RFP, and responding to pre-bid questions. Proposals were due to WETA on or before January 3, 2013.

Evaluation Process:

The RFP required proposers to submit technical qualifications for review and scoring, as well as a separate price proposal that was reviewed if the proposer met the technical requirements. The technical portion of the evaluation process amounted to 75% of the total possible score. Technical scores considered each proposer’s technical approach, understanding of the project, management plan, experience in similar projects, references, qualifications of its proposed team, and its facilities and equipment.

A total of four proposals were received on January 4, 2013 from Bay Ship & Yacht, Mare Island Ship Yard, Marine Group Boat Works and Nichols Brothers Boat Builders. Of these, three were determined to be technically responsive to the RFP. On January 11, the proposal evaluation team, made up of Keith Stahnke, WETA project manager; Charlie Walther, WETA construction manager; Christian Stark, Golden Gate Ferry; and Martin Robbins, Fast Ferry Management met to review and score the three responsive proposals. Each of the three proposals scored within the competitive range for the technical portion.

Consistent with a Best Value procurement process, discussion and clarification meetings were held with each of the three responsive bidders on January 23, 24 and 25, 2013 to answer questions about each proposal and evaluate the project’s major cost drivers. As a result, the technical specifications were modified while maintaining the required elements of the project. A request for revised proposals was issued to the three proposers on January 28, 2013. Revised proposals were received on February 7, 2013.

The Evaluation committee reconvened on February 13, 2013 and first scored the technical portion of the revised proposals and then reviewed and scored the price proposals. This two-step process was used to identify the Best Value based on combined technical and price rankings. *Table 1* below summarizes the combined total scores for each submittal, which are provided in more detail in *Attachment 1* to this report.

Table 1 Combined Total Scores	
Firm	Combined total score
Bay Ship & Yacht	69.7
Marine Group	74.9
Nichols Bros. Boat Builders	71.0

Consistent with the process outlined in the RFP, the WETA evaluation team determined that Marine Group Boat Works’ bid met the requirements of the RFP and their references were satisfactory. As a result, the bid from Marine Group Boat Works of Chula Vista, CA was judged to be the Best Value submittal.

Accordingly, staff recommends awarding a contract to Marine Group Boat Works to refurbish the Bay Breeze and proposes that this award include a 15% owner’s contingency to allow for additive changes for work not yet identified but that may be necessary to satisfactorily complete the project. The recommended award total including owner’s contingency is \$4,288,700. If

approved the Notice to Proceed for design activities will be issued in March 2013 with the project scheduled to be completed in early 2014.

DBE/SBE Participation:

The Authority's overall annual Disadvantaged Business Enterprise (DBE) goal and Small Business Enterprise (SBE) goal for Fiscal Year 2012/2013 is 2% for FTA-assisted contracts. Marine Group Boat Works was not able to commit to any DBE or SBE participation on this contract.

Fiscal Impact

The project is included in the FY 2012/13 Capital Budget at a total cost of \$5,015,000. The project is to be funded with 80% Federal Transit Administration (FTA) grant funds and 20% Alameda Measure B Sales Tax Revenue.

END

ATTACHMENT 1

Bay Breeze Refurbishment Proposal Evaluation Scoring Results

Technical Scoring	
Technical Approach/ Management Plan	
Bay Ship & Yacht	14.3
Marine Group	16.6
Nichols Bros. Boat Builders	20.6
Experiences/References	
Bay Ship & Yacht	25.0
Marine Group	25.5
Nichols Bros. Boat Builders	35.3
Team Qualifications	
Bay Ship & Yacht	3.2
Marine Group	3.5
Nichols Bros. Boat Builders	4.3
Facilities and Equipment	
Bay Ship & Yacht	4.1
Marine Group	4.4
Nichols Bros. Boat Builders	4.4
Total Technical Score	
Bay Ship & Yacht	46.5
Marine Group	49.9
Nichols Bros. Boat Builders	64.6

Price Proposals & Options Scoring		
	Price proposal	Score
Bay Ship & Yacht	\$4,039,807	23.16
Options	\$150,000	
Marine Group	\$3,729,305	25.0
Options	\$106,305	
Nichols Bros. Boat Builders	\$6,315,166	6.42
Options	Not submitted	

Total Combined Scores	
Firm	Combined total score
Bay Ship & Yacht	69.7
Marine Group	74.9
Nichols Bros. Boat Builders	71.0

RESOLUTION NO. 2013-05

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**APPROVE THE AWARD OF A CONTRACT WITH MARINE GROUP BOAT WORKS FOR
SHIPYARD SERVICES TO REFUBISH THE FERRY BAY BREEZE AND AUTHORIZE THE
EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE THE AGREEMENT**

WHEREAS, The San Francisco Bay Area Water Emergency Transportation Authority (Authority) seeks to enter into an agreement with Marine Group Boat Works to provide shipyard services to refurbish the ferry vessel Bay Breeze (Project); and

WHEREAS, the Authority has Federal Transit Administration (FTA) and local match funds to support the Project; and

WHEREAS, the Authority has established procedures in its Administrative Code relating to the selection and contracting of Construction Services, including projects where FTA funds will be used; and,

WHEREAS, on October 31, 2012, the Authority issued an Request for Proposals ("RFP") for shipyard work for the Project; and

WHEREAS, the Authority followed the procedures in its Administrative Code, consistent with an FTA project regarding solicitation and evaluation of qualifications; and,

WHEREAS, the Authority staff has recommended the award of these services, which would commit the Authority to a contract in an amount not to exceed \$4,288,700 which includes a 15% owners contingency.

THEREFORE, BE IT RESOLVED THAT:

The Board of Directors of the Authority hereby approves an agreement with Marine Group Boat Works to provide shipyard services to refurbish the ferry vessel Bay Breeze for an amount not to exceed \$4,288,700 which includes a 15% owners contingency; and

BE IT FURTHER RESOLVED THAT:

The Board of Directors authorizes the Executive Director to negotiate and execute a contract for this work and to take all other actions and execute all other documents as are necessary to complete the work.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on March 14, 2013.

AYE:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2013-05

END

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Mike Gougherty, Senior Planner**

SUBJECT: South San Francisco Service Enhancement Demonstration Project

Summary

This memorandum describes the concept of a one year demonstration project to enhance South San Francisco ferry service. The demonstration project would be undertaken with the goal of building ridership at the South San Francisco ferry terminal, with the provision that staff would monitor progress closely and return to the Board at regular intervals to report on progress. Provided that there is general support for this concept, staff will work to develop a final demonstration service recommendation for Board consideration at the April WETA Board meeting.

Background

In June 2012, WETA began operation of the South San Francisco ferry service. The service was developed to provide an alternative regional transit option for commuters traveling from the East Bay to employment centers in the Oyster Point area east of U.S. Highway 101. To date, South San Francisco ferry ridership has fallen short of initial planning projections. Ridership for the week of February 28, 2013 averaged 131 daily boardings, fewer than the 387 daily boardings projected for Year One of operations in the 5-Year Business Plan. As a result, the fare box recovery ratio for fiscal year 2013 through the end of January was 8.4 percent.

The concept of enhancing service at South San Francisco is influenced by three factors that represent an opportunity to build ridership.

First, experience with other commute-only services – not just ferry but express bus or rail – indicate that passengers require at least three morning and three afternoon trips to ensure adequate flexibility for daily commuting needs. Currently, WETA offers three morning trips but only two afternoon departures. Harbor Bay, as a comparison, offers three morning and four afternoon departures. The anticipated service enhancement would offer a third afternoon trip with a precise schedule contingent on feedback WETA is soliciting from existing passengers and the potential customer base at Oyster Point.

Second, there may be an opportunity to appeal to the leisure travel market by offering service between South San Francisco and San Francisco in the midday on a limited two-day a week schedule. Based on input received from the City of South San Francisco and the San Mateo Water Transit Advocates, the demonstration project would propose to offer a trip to and from Pier 41 that would appeal to school groups and other recreational travelers. A similar service offering has well patronized by Alameda/Oakland passengers for a long time.

Finally, by taking advantage of efficiency opportunities available through crew sharing and use of deadhead trips service can be enhanced for South San Francisco in a cost effective manner. Blue and Gold fleet has offered to split utilization of an 8-hour crew, which will allow the additional

evening trip to be scheduled. Also, by using WETA vessels that are currently deadheading between South San Francisco and San Francisco during the midday on Wednesdays and Fridays, trips to serve the recreational market into San Francisco can be added to regular commute service.

Discussion

The goal of the proposed South San Francisco Service Enhancement Demonstration Project is to provide a more robust commuter schedule and seek other cost effective strategies to increase ridership. The demonstration project would be implemented over the course of one year and would include two components:

- 1) Add one additional weekday afternoon commute period departure from South San Francisco to Alameda and Oakland; and
- 2) Add one Wednesday and Friday midday roundtrip between South San Francisco and San Francisco.

The first component of the demonstration project would create a more robust schedule by adding an additional afternoon departure from South San Francisco. By adding this additional trip, WETA would increase the number of afternoon departures from South San Francisco from two to three. The enhanced departure schedule would give potential ferry passengers more flexibility in their travel time should they need to work late or leave work early. The addition of a third afternoon commute trip would also enable WETA to rearrange departure times for existing afternoon departures to better serve the needs of potential riders. In general, the addition of an another afternoon departure is intended to make the South San Francisco ferry service generally more appealing as a daily commute option for Oyster Point employees living in the East Bay. The total estimated cost of implementing this first component of the South San Francisco Service Enhancement Demonstration Project over the course of one year is approximately \$225,000.

The second component of the proposal is designed to attract new riders by providing limited midday service for passengers traveling from South San Francisco to San Francisco. Under the proposed demonstration project, one midday roundtrip would be offered from South San Francisco to San Francisco on Wednesdays and Fridays. The fare for the South San Francisco to San Francisco service would be the same as the South San Francisco to Oakland and Alameda service over the course of the one-year demonstration project. By utilizing deadhead trips on a limited basis, this new service could be offered by WETA for as little as \$3,000 over the course of one year.

Staff will return for Board authorization of the demonstration project specifics at the April Board meeting. In the interim weeks, passenger and potential customer outreach will be undertaken to identify ideal departure times for the added evening trip. This input will also be an opportunity to perhaps revisit the schedule for the existing evening trips. Input will be gathered through onboard surveys and email or employer-provided survey opportunities.

A key component of the demonstration project will be the tracking of ridership and fare box performance over the one year period. Staff will return to the Board on a regular basis to present interim findings, with a final recommendation expected at the end of the demonstration period.

Fiscal Impact

There is not fiscal impact associated the further development of this demonstration service concept.

END