

Members of the Board

Jody Breckenridge, Chair
Jeffrey DelBono
Timothy Donovan
Anthony J. Intintoli, Jr

BOARD OF DIRECTORS' MEETING
Thursday, March 5, 2015 at 1:30 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 sanfranciscobayferry.com/weta.

AGENDA

1. CALL TO ORDER – BOARD CHAIR
2. PLEDGE OF ALLEGIANCE/ROLL CALL
3. REPORT OF BOARD CHAIR *Information*
4. REPORTS OF DIRECTORS *Information*
5. REPORTS OF STAFF *Information*
 - a. Executive Director's Report
 - b. Monthly Review of Financial Statements
 - c. Legislative Update
6. CONSENT CALENDAR *Action*
 - a. Minutes February 5, 2015
7. AUTHORIZE PUBLIC OUTREACH FOR BALLPARK FERRY SERVICE FARE CHANGES *Action*
8. AUTHORIZE AGREEMENT WITH THE CONTRA COSTA TRANSPORTATION AUTHORITY (CCTA) TO PROVIDE AN OPERATIONAL SUBSIDY FOR FERRY SERVICE BETWEEN RICHMOND AND SAN FRANCISCO *Action*
9. OVERVIEW OF ONBOARD RIDERSHIP SURVEY *Information*
10. RECESS INTO CLOSED SESSION
 - a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION *Action*

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One case.) *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 March 5, 2015 Meeting of the Board of Directors

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.

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 5, 2015

RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE

Vessel Replacement –The *Encinal* and *Harbor Bay Express II* are included in the FY 2013/14 Capital Budget for replacement as they have reached the end of their useful lives (generally 25 years) and staff has secured funding commitments for replacement vessels. In December 2013, the Board of Directors approved the contract award to Aurora Marine Design (AMD) for vessel construction management services. The Request For Proposal to construct two new passenger-only vessels was released on September 26, 2014. A Pre-Proposal bidder's conference was held on October 13, 2014. Step 1 Technical Proposals were due in November and interviews were held in December. Bidders that were found to be in the competitive range were invited to submit Step 2 Complete Technical and Price Proposals, which were due in January 2015. Staff is in the process of reviewing proposals and hopes to be in a position to bring forward a recommendation for contract award in April.

Peralta Mid-Life Refurbishment - The ferry vessel *Peralta* was acquired by WETA from the City of Alameda in April 2011 through the transition of the Alameda Oakland Ferry Service to WETA. Built in 2001 by Nichols Brothers Boat Builders, the *Peralta* has been in service for 13 years and has reached its economic mid-life. This refurbishment project consists of replacing or overhauling the main engines, refurbishment of the passenger cabin, hull work, major system renovation, and replacement of control systems and navigation electronics and will extend the useful life of the vessel to the expected full 25 years.

The refurbishment project is separated into two phases with Phase 1 scheduled for completion by May 1, 2015, in order to make the vessel available for summer season operations. The Phase 1 scope of work includes refurbishment of main engines, generators and gear boxes, installation of new steering hydraulic pumps and rams, passenger cabin renewal including refurbishment of the restrooms, new carpets, and passenger seats, vessel drydock and exterior vessel paint and branding and provision of spare gearbox, propellers and shafts. The Board approved a contract with Bay Ship and Yacht for Phase 1 work in February 2015.

Staff will issue an RFP for Phase 2 of the project in Fall 2015. Phase 2 will include replacement of all control systems and navigation electronics, snackbar renewal, and interior cabin paint.

Ferry Terminal Refurbishment Projects – This effort includes gangway rehabilitation and minor terminal facility improvement projects that support the continued safe operation of East Bay ferry terminals (Alameda Main Street, Harbor Bay, and Oakland Clay Street Jack London Square) and includes a variety of work ranging from pier piling replacement to repairing and replacing walkways and awnings.

The Board awarded a contract to Ben C. Gerwick, Inc. on May 23, 2013 to assist staff with technical specifications, regulatory permitting and construction management services. The Board awarded a contract to Manson Construction Co. on March 31, 2014 to undertake the majority of the project work, including construction improvements at Harbor Bay and Clay Street. The Clay Street Project was completed the

weekend of November 15 and 16, 2014. A final walk-through with our Engineers was completed December 17, 2014. A final walk-through for The Harbor Bay Project is scheduled for March 2, 2015.

The Board awarded contracts to CS Marine Constructors, Inc. and Topper Industries, Inc. on August 20, 2014 and approved an agreement with Bay Ship & Yacht to relocate the passenger float 100 feet west of the current location. The Main Street project took place December 13 and 14, 2014. The project went very smoothly and normal operations resumed on schedule for the Monday morning commute. A final walk-through with our Engineers was completed on December 17, 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 two phases. The landside phase includes site preparation and construction of a new fuel storage and delivery system along with warehouse and maintenance space. The Board of Directors awarded a design-build contract for the landside phase to West Bay Builders in August 2013 and work is anticipated to be complete in Spring 2015. The waterside phase will construct a system of modular floats and piers, gangways, and over-the-water utilities. The Board of Directors awarded a design-build contract for the waterside construction phase to Dutra Construction in July 2014. 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. Landside construction is anticipated to be complete in May 2015.

The NEPA environmental review work for the Navy waterside portion is underway on behalf of the Navy. The Navy must complete this documentation prior to entering into a submerged lands lease with WETA to use the waterside portion of the site. The Draft NEPA Environmental Assessment (EA) was published for a 15-day public and agency review on August 22, 2014. Staff is coordinating with the Navy to finalize the NEPA documentation. The NEPA document is anticipated to be complete in March 2015. Staff has received a draft lease from the Navy. Staff has reviewed the draft and is coordinating with the Navy to finish the lease document. The lease is anticipated to be finalized in Spring 2015. All required permits for the waterside construction phase of the project have been received.

Regional Passenger Float Construction – This project will construct a new regional spare float that can be utilized as a backup for the Vallejo terminal float as well as other terminal sites such as downtown San Francisco when the permanent terminal floats must undergo periodic dry-dock, inspection, and repair. This spare would support ongoing daily services and would be a valuable asset to have available for use in unplanned or emergency conditions. Ghirardelli Associates Inc. was selected as the project construction manager. Procurement of the passenger float construction contract was combined with the North Bay Operations and Maintenance Facility Project construction contract. The Request for Proposals for the project was released on February 28 and the construction contract was awarded to Dutra Construction on July 10, 2014. The contract was executed in July 2014. Float design is 85% designed. Final design was completed in December 2014 and float construction is anticipated to commence in Spring 2015.

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.

On February 10th, the National Marine Fisheries Service (NMFS) issued its final Incidental Harassment Authorization under the Marine Mammal Protection Act to address potential impacts to nearby harbor seals from the project. On March 3rd, the City of Alameda City Council is expected to approve a 60-year lease agreement for the project, which was previously approved by the WETA Board last month. On March 9th, staff will present the project for design review and Use Permit authorization by the City of Alameda

Planning Board. Staff is working with Bay Conservation and Development Commission (BCDC) and the US Army Corp of Engineers (USACOE) to secure the remaining permits required for the project prior to requesting authorization from the WETA Board to release construction bid documents for the project later this year. Additionally, staff has reached out to the Building Trades Council of Alameda County to initiate discussions regarding developing a Project Labor Agreement for this project utilizing the Model Agreement adopted by the Board in December 2013.

Downtown San Francisco Ferry Terminal Expansion Project – This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new and existing 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.

A Notice of Availability for the Final EIS/EIR and FTA's Record of Decision were published in the Federal Register on September 5, 2014. The WETA Board certified the Final EIR in October 2014. Staff is continuing discussions with the Port of San Francisco concerning a Memorandum of Understanding (MOU) to implement the South Basin improvement phase of this project. Staff has held permitting kick-off meetings with BCDC and the USACOE, and is working to schedule a similar meeting with the San Francisco Bay Regional Water Quality Control Board.

SERVICE DEVELOPMENT UPDATE

Richmond Ferry Service – This service will provide an alternative transportation link between Richmond and downtown San Francisco. The conceptual design includes plans for replacement of an existing facility (float and gangway) and a phased parking plan.

The CEQA Initial Study/Mitigated Negative Declaration (IS/MND) was released on May 6, 2014. The Initial Study identified potentially significant effects; however, the implementation of mitigation measures identified in the IS/MND would reduce potentially significant effects to less-than-significant levels. In accordance with CEQA and the CEQA Guidelines, a 30-day public and agency review period for the IS/MND commenced on May 6 and concluded on June 4, 2014. The WETA Board of Directors adopted the MND and Mitigation Monitoring and Reporting Program at the September 2014 Board meeting. Staff is working with the FTA on resource agency consultation and preparation of the NEPA environmental review. Staff has also been working with City of Richmond, West Contra Costa County Transportation Advisory Committee (WCCTAC) and Contra Costa Transportation Authority (CCTA) staff to develop a Memorandum of Understanding (MOU) and Funding Agreement that defines project service levels and identifies capital and operating funding through a project funding plan. The Richmond MOU was presented to WCCTAC on January 23rd and a resolution was adopted recommending adoption by the full CCTA Commission. The CCTA Commission approved the Funding Agreement at its February 18th meeting.

Treasure Island Service – This project, which will be implemented by the Treasure Island Development Authority (TIDA), the San Francisco County Transportation Authority (acting in its capacity as the Treasure Island Mobility Management Authority) 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. The development agreement states that ferry operations would commence with the completion of the 50th residential unit.

WETA staff is working cooperatively with City staff on this City-led project and participating in regular meetings of the Technical Advisory Committee convened to update and further develop the Treasure Island Mobility Management Program. Staff expects to begin negotiation of a Memorandum of Understanding (MOU) with the City that would set forth the terms and conditions under which WETA would operate the future Treasure Island ferry service. The finalization and execution of an MOU for the Treasure Island service would be subject to future consideration by the WETA Board.

Berkeley Environmental Studies – This service will provide an alternative transportation link between Berkeley and downtown San Francisco. The environmental and conceptual design work includes plans for shared use 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. Similar to Richmond, a Project Memorandum of Understanding defining the project and identifying funding sources will need to be developed for adoption by the City Council and WETA Board.

The Final EIS/EIR was submitted to FTA review in early October 2012. The remaining activities include resolution of Section 7 consultation and Essential Fish Habitat Assessment with NOAA and NMFS. NOAA and NMFS will issue a Biological Opinion (BiOp) on the project. The BiOp is required prior to completion of the Final EIS/EIR. During the NMFS consultation process an issue was identified with the proposed 42-acre dredging footprint. This dredging footprint was developed in order to accommodate the standard draft vessels in the WETA fleet during all tidal conditions and included a 5,000 foot long channel. During the consultation process, NMFS identified a mitigation ratio of 3:1 to offset the dredging impacts. This mitigation ratio presents significant scope and cost challenges for the project. After this issue was identified, WETA staff explored options to reduce the dredging footprint in order to reduce the mitigation requirements. It was determined that construction and operation of shallow draft vessels for the Berkeley service would substantially reduce the required dredging footprint and mitigation requirements.

Staff has coordinated with FTA staff to discuss the process for completion of the Final EIS/EIR. FTA has recently expressed that it will not be able to complete the NEPA process and issue a Record of Decision because a long-term operational funding source is not available for the service. Regional Measure 2 (RM2) funds were identified as an operating source when the environmental review process commenced in 2006. The funding picture changed since that time and the RM2 source is no longer available. Staff is evaluating a process to complete the CEQA process in the near term. The NEPA process could be completed at a later date if an operational funding source is identified.

SYSTEM STUDIES

Alameda Terminals Access Study – Both ferry terminals in Alameda have experienced a surge in ridership beginning with the first BART strike in July 2013. As a result, parking at both terminals typically spills onto adjacent streets and informal parking lots. WETA is partnering with City of Alameda staff to prepare plans to address the immediate issue and identify mid- to long-term solutions. Staff has secured the consultant services of Nelson Nygaard through its on-call planning agreement with KPFF, Inc. to support the project.

Staff has concluded its initial public outreach efforts, including a series of public workshops, coordination with AC Transit, and an informational presentation to the City of Alameda's Transportation Commission. A subcommittee of Transportation Commission members, AC Transit staff, nearby non-profit organizations, and local transportation advocates was formed by the City of Alameda to review and advocate for future access improvements at both the Main Street and Harbor Bay terminals. A draft study including an action plan will be released in early 2015 for public comment. The study will include preliminary access improvement recommendations and funding strategies for each terminal. Pending public comments received on the draft study, a final draft will be prepared and presented to the Board at a future meeting.

Alameda Seaplane Lagoon Study - The City of Alameda has proposed a new ferry terminal located along Seaplane Lagoon at Alameda Point. Consistent with terms of the 2014 Transition Agreement executed between WETA and the City of Alameda, both parties are working together to explore the viability of a new ferry service connecting Seaplane Lagoon and San Francisco. WETA staff has met regularly with staff from the cities of Alameda and Oakland along with the Port of Oakland to prepare an operational evaluation of a Seaplane Lagoon ferry service. The goal of the evaluation is to identify the range of alternatives for ferry service in the central bay considering terminals at Seaplane Lagoon, Main Street

and/or Clay Street in Oakland. The costs, service quality and ridership implications of each service scenario will be estimated. The results of the evaluation will ultimately feed into a concept engineering analysis that will estimate capital costs and permitting requirements for a new facility.

Staff is working with the City of Alameda to draft a Memorandum of Understanding (MOU) that would set forth the terms and conditions under which a Seaplane Lagoon Ferry Service would be implemented, including construction of new facilities and service operations. The finalization and execution of an MOU for the Seaplane Lagoon service would be subject to future consideration by the WETA Board and the City of Alameda.

Mission Bay Ferry Terminal – The Golden State Warriors basketball team has identified a preferred arena site at the foot of 16th Street in the Mission Bay neighborhood of San Francisco. A Mission Bay ferry terminal has been identified in both WETA and City of San Francisco planning documents as a potential future infrastructure investment but no significant planning or development work has been conducted to date and no funding exists to develop this as a terminal site. Staff will continue to coordinate with the Port of San Francisco, and the City of San Francisco along with other relevant stakeholders, including the Warriors, to consider how the agency may play a role in integrating the development of this project with existing and/or future WETA ferry services to San Francisco as opportunities present themselves.

Site Feasibility Studies – Site feasibility reports have been prepared in cooperation with the cities of Hercules, Martinez, Antioch and Redwood City in an effort to identify site constraints and design requirements and better understand project feasibility and costs associated with development of terminals and services to these cities. The Contra Costa County Transportation Authority, as the county transportation planning and funding authority, has utilized this information to develop a Financial Feasibility of Contra Costa Ferry Service Report (completed June 2014) to assess the feasibility of implementing ferry services in the county. The report concludes that of the candidate ferry terminals in Contra Costa County, only the Richmond project is financially feasible at this time.

OTHER

Emergency Response Plan – WETA's enabling legislation, SB 976 as amended by SB 1093, directed the agency to provide comprehensive water transportation and emergency coordination services for the Bay Area region. WETA's Emergency Water Transportation System Management Plan (EWTSMMP) was published and approved in 2009. Since this time, WETA has taken on new roles and responsibilities including assuming ownership of three existing ferry routes and starting the new East Bay to South San Francisco service. Utilizing the services of Lee Rosenberg with Navigating Preparedness Associates, staff has embarked on a process of evaluating existing plans and capabilities in order to identify an approach to updating WETA's internal and external emergency response plans. As a part of this effort, staff has conducted an initial set of stakeholder meetings with the U.S. Coast Guard Sector San Francisco, the Metropolitan Transportation Commission, Blue & Gold Fleet, California Office of Emergency Services, and San Francisco Department of Emergency Management. The results of these meetings will be utilized in developing a proposal for updating agency plans for Board consideration and discussion in the coming months.

Coast Guard Manning Requirements

Blue and Gold Fleet, our contract operator, was recently informed by the U.S. Coast Guard of a proposed change to the manning requirements of small passenger vessels operating in the San Francisco Bay including WETA vessels operated by Blue and Gold Fleet. Changes proposed would increase the deckhand requirement for WETA's vessels over 149 passengers and would result in an estimated \$1.7 million annual cost increase to WETA's operation. The bulk of this increase would impact the Vallejo service, which would be required to man vessels with twice as many deckhands as is required today. Staff is participating in discussions with the Coast Guard, other Bay Area ferry operators and the Passenger Vessel Association regarding the proposed changes to better understand what has precipitated this change and will keep the Board informed as this conversation proceeds.

Removal of Historic Shipyard Crane next to Main St Ferry Terminal – As a condition of the Agreement with the City of Alameda to transfer the Alameda/Oakland and Harbor Bay Ferry Services to WETA, the City is responsible for removing or refurbishing the historic shipyard crane that is located directly adjacent to the Main St ferry terminal. Because the crane is a contributing element of the Historic Todd Shipyard District, the Historical Advisory Board was required to develop an Environmental Impact Report prior to entering into a contract to remove the crane. As a result, this process has taken longer than expected. At the February 17 Council meeting, the City of Alameda approved a contract with Power Engineering for a not-to-exceed amount of \$290,000 to remove the crane. Removal of the crane represents the last step to complete the closing obligations of the Ferry Service Operations Transfer Agreement between WETA and the City of Alameda.

MEETINGS AND OUTREACH

On February 3, 9, and 12, Nina Rannells, Lauren Gularte and Kevin Donnelly attended stakeholder meetings with Blue and Gold Fleet, California Office of Emergency Services and San Francisco Department of Emergency Management, to discuss respective entity emergency response plans in preparation for updating WETA's emergency response plans.

On February 10, Nina Rannells, Kevin Donnelly, Lauren Gularte and Pat Murphy (Blue & Gold) attended a meeting hosted by USCG Sector San Francisco to evaluate the current state of readiness for ferry operations and floating piers and docks to support emergency evacuation during a catastrophic earthquake event.

On February 13, Lauren Gularte attended the monthly regional Business Outreach Committee meeting.

On February 23, Nina Rannells attended the monthly Clipper 2/General Managers meeting to discuss the development of the next generation regional fare payment instrument.

OPERATIONS REPORT

The Monthly Operating Statistics Report for January 2015 is provided as Attachment A.

Attachment A

Monthly Operating Statistics Report January 2015

			Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo*	Systemwide
Ridership	vs. last month	Total Passengers January 2015	58,263	21,937	8,898	56,314	145,412
		Total Passengers December 2014	53,139	17,864	7,014	54,979	132,996
		Percent change	9.64%	22.80%	26.86%	2.43%	9.34%
	vs. same month last year	Total Passengers January 2015	58,263	21,937	8,898	56,314	145,412
		Total Passengers January 2014	39,262	20,237	6,753	56,306	122,558
		Percent change	48.40%	8.40%	31.76%	0.01%	18.65%
	vs. prior FY to date	Total Passengers Current FY To Date	523,856	145,777	58,597	494,525	1,222,755
		Total Passengers Last FY To Date **	508,235	146,835	48,082	487,683	1,190,835
		Percent change	3.07%	-0.72%	21.87%	1.40%	2.68%
			Avg Weekday Ridership January 2015	2,206	1,097	445	2,344
Ops Stats		Passengers Per Hour	141	174	55	132	129
		Revenue Hours	413	126	163	428	1,130
		Revenue Miles	4,993	2,841	2,594	11,715	22,143
Fuel		Fuel Used (gallons)	37,101	13,996	20,247	98,210	169,554
		Avg Cost per gallon	\$2.02	\$2.02	\$2.02	\$1.93	\$2.00

* Vallejo ridership includes ferry + 4412 Route 200 bus passengers.

** Includes ridership during July and October 2013 BART strikes and Sept 2013 Bay Bridge closure.

MEMORANDUM

TO: Board Members

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

**SUBJECT: Monthly Review of FY 2014/15 Financial Statements for Seven Months
Ending January 31, 2015**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2014/15 Financial Statements for seven months ending January 31, 2015.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenue	7,859,647	8,544,453	7,982,075
Local Bridge Toll Revenue	8,238,645	10,979,137	8,876,590
Other Revenue	3,597	-	500
Total Operating Revenues	16,101,889	19,523,590	16,859,165
Expenses - Year To Date:			
Planning & Administration	1,130,367	1,767,123	1,150,417
Ferry Services	14,971,522	17,756,467	15,708,747
Total Operatings Expenses	16,101,889	19,523,590	16,859,165
System-Wide Farebox Recovery %	52%	48%	51%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2014/15 Budget
Revenues:		
Federal Funds	2,906,762	16.60%
State Funds	6,465,551	29.49%
Bridge Toll Revenues	305,519	5.31%
Other Local Funds	561,801	15.15%
Total Capital Revenues	10,239,633	20.94%
Expenses:		
Total Capital Expenses	10,239,633	20.94%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Area Water Emergency Transportation Authority
FY 2014/15 Statement of Revenues and Expenses
For Seven Months Ending 01/31/2015

% of Year Elapsed 58.9%

	Current Month	Year - To - Date			Budget	
		FY2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Actual	FY 2014/15 Total	% of Total
OPERATING EXPENSES						
PLANNING & GENERAL ADMIN:						
Wages and Fringe Benefits	139,665	675,355	848,808	726,703	1,441,000	50.4%
Services	39,496	372,651	954,247	377,962	1,620,000	23.3%
Materials and Supplies	277	19,380	21,795	4,297	37,000	11.6%
Utilities	1,158	6,727	12,370	6,021	21,000	28.7%
Insurance	-	16,370	11,192	18,335	19,000	96.5%
Miscellaneous	11,684	56,676	64,795	46,456	110,000	42.2%
Leases and Rentals	23,686	157,468	168,466	163,076	286,000	57.0%
Admin Overhead Expense Transfer	(45,053)	(174,260)	(314,548)	(192,433)	(534,000)	36.0%
Sub-Total Planning & Gen Admin	170,912	1,130,367	1,767,123	1,150,417	3,000,000	38.3%
FERRY OPERATIONS:						
Harbor Bay FerryService						
Purchased Transportation	139,963	897,742	1,032,295	814,535	1,752,500	46.5%
Fuel - Diesel & Urea	28,335	296,724	348,477	231,475	591,600	39.1%
Other Direct Operating Expenses	31,798	186,656	373,275	205,809	633,700	32.5%
Admin Overhead Expense Transfer	9,219	39,097	68,918	37,809	117,000	32.3%
Sub-Total Harbor Bay	209,316	1,420,219	1,822,964	1,289,628	3,094,800	41.7%
<i>Farebox Recovery</i>	<i>46%</i>	<i>47%</i>	<i>40%</i>	<i>50%</i>	<i>40%</i>	
Alameda/Oakland Ferry Service						
Purchased Transportation	424,856	2,538,241	2,609,747	3,163,565	4,430,500	71.4%
Fuel - Diesel & Urea	75,111	803,784	1,088,018	737,857	1,847,100	39.9%
Other Direct Operating Expenses	60,716	460,228	728,644	402,878	1,237,000	32.6%
Admin Overhead Expense Transfer	17,519	64,768	123,110	74,084	209,000	35.4%
Sub-Total Alameda/Oakland	578,202	3,867,021	4,549,518	4,378,383	7,723,600	56.7%
<i>Farebox Recovery</i>	<i>48%</i>	<i>61%</i>	<i>56%</i>	<i>54%</i>	<i>56%</i>	
Vallejo FerryService						
Purchased Transportation	678,431	4,184,470	4,407,147	5,041,135	7,481,900	67.4%
Fuel - Diesel & Urea	189,642	2,926,454	3,755,137	2,455,974	6,375,000	38.5%
Other Direct Operating Expenses	89,150	652,758	936,399	567,968	1,589,700	35.7%
Admin Overhead Expense Transfer	7,668	31,181	43,000	35,076	73,000	48.0%
Sub-Total Vallejo	964,891	7,794,863	9,141,682	8,100,152	15,519,600	52.2%
<i>Farebox Recovery</i>	<i>53%</i>	<i>58%</i>	<i>54%</i>	<i>57%</i>	<i>54%</i>	
South San Francisco FerryService						
Purchased Transportation	190,938	1,266,047	1,280,458	1,330,769	2,173,800	61.2%
Fuel - Diesel & Urea	40,991	378,027	476,534	324,354	809,000	40.1%
Other Direct Operating Expenses	34,070	206,131	405,790	239,998	688,900	34.8%
Admin Overhead Expense Transfer	10,647	39,214	79,521	45,464	135,000	33.7%
Sub-Total South San Francisco	276,646	1,889,419	2,242,303	1,940,584	3,806,700	51.0%
<i>Farebox Recovery</i>	<i>21%</i>	<i>16%</i>	<i>14%</i>	<i>20%</i>	<i>14%</i>	
Total Operating Expenses	2,199,966	16,101,889	19,523,590	16,859,165	33,144,700	50.9%
OPERATING REVENUES						
Fare Revenue	940,045	7,859,647	8,544,453	7,982,075	14,505,700	55.0%
Local - Bridge Toll	1,259,921	8,238,645	10,979,137	8,876,590	18,639,000	47.6%
Local - Other Revenue		3,597	-	500	-	0%
Total Operating Revenues	2,199,966	16,101,889	19,523,590	16,859,165	33,144,700	50.9%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2014/15 Statement of Revenues and Expenses
For Seven Months Ending 1/31/2015

Project Description	Current Month	Project Budget	Prior Years Actual	FY 2014/15 Budget	FY 2014/15 Actual	Future Year	% of Total Project Budget
CAPITAL EXPENSES							
FACILITIES:							
Maintenance and Operations Facilities							
North Bay Operations & Maintenance Facility	436,204	30,232,000	5,132,061	19,130,939	6,239,864	5,969,000	38%
Central Bay Operations & Maintenance Facility	100,801	38,000,000	1,228,371	5,750,629	311,752	31,021,000	4%
Float Rehabilitation							
Regional Spare Float Replacement	579,559	3,862,000	58,976	2,965,024	1,104,772	838,000	30%
Gangway, Pier & Terminal Improvement							
Clipper Site preparation - Vallejo	-	300,000	148,695	151,305	13,721	-	54%
East Bay Ferry Terminal Refurbishment	77,151	2,595,400	341,509	2,253,891	1,332,100	-	64%
Electronic Bicycle Lockers	-	79,500	-	79,500	-	-	0%
Channel Dredging - Vallejo	-	1,200,000	-	75,000	4,444	1,125,000	0%
FERRY VESSELS:							
Major Component Rehabilitation / Replacement							
Vessel Engine Overhaul - Gemini Class Vessels	2,000	1,320,000	-	1,320,000	251,124	-	19%
Vessel Engine Overhaul - Solano	-	2,000,000	699,042	1,240,958	567,866	60,000	63%
Major Component Rehab - Pisces	-	200,000	-	200,000	-	-	0%
Vessel Mid-Life Repower/Refurbishment							
Vessel Mid-Life Refurbishment - Bay Breeze	-	5,015,000	4,738,923	276,077	1,448	-	95%
Vessel Mid-Life Refurbishment - Peralta	3,889	5,260,000	-	1,010,000	36,882	4,250,000	1%
Vessel Expansion/Replacement							
Purchase Replacement Vessel - Express II & Encinal	1,160	33,500,000	50,568	9,949,432	130,590	23,500,000	1%
Purchase Replacement Vessel - Vallejo	-	20,000,000	-	200,000	-	19,800,000	0%
CAPITAL EQUIPMENT / OTHER:							
Purchase 18-Ton Crane Truck	-	175,000	-	175,000	-	-	0%
Purchase Work Skiff	-	100,000	-	100,000	176	-	0%
SERVICE EXPANSION:							
Future Expansion Service Studies							
Berkeley Terminal - Environ/Concept Design	-	2,335,000	2,183,016	151,984	3,783	-	94%
Antioch - Environ/Concept Design	-	812,500	146,198	25,002	218	641,300	18%
Martinez - Environ/Concept Design	-	812,500	164,894	25,006	-	622,600	20%
Downtown Ferry Terminal Expansion - Environ/Concept Design	29,926	3,300,000	2,581,846	718,154	135,533	-	82%
Terminal/Berthing Expansion Construction							
SSF Terminal Oyster Mitigation Study	-	275,000	83,330	191,670	29,854	-	41%
Downtown Ferry Terminal Expansion - Bridging Design	-	3,745,000	-	1,872,500	-	1,872,500	0%
Richmond Ferry Terminal	13,974	1,862,500	559,294	1,040,706	75,507	262,500	34%
Total Capital Expenses	1,244,664	156,981,400	18,116,723	48,902,777	10,239,633	89,961,900	
CAPITAL REVENUES							
Federal Funds	631,178	64,124,919	6,622,379	17,515,330	2,906,762	38,421,985	15%
State Funds	539,532	50,366,926	8,146,559	21,924,882	6,465,551	39,971,042	29%
Local - Bridge Toll	2,288	36,457,071	2,456,805	5,753,455	305,519	10,268,872	8%
Local - Alameda Sales Tax Measure B	71,667	4,682,484	890,980	3,659,111	561,801	-	31%
Local - San Francisco Sales Tax Prop K	-	1,300,000	-	-	-	1,300,000	0%
Local - Transportation Funds for Clean Air	-	50,000	-	50,000	-	-	0%
Total Capital Revenues	1,244,664	156,981,400	18,116,723	48,902,777	10,239,633	89,961,900	

MEMORANDUM

TO: Board Members

FROM: Peter Friedmann, WETA Federal Legislative Representative
Ray Bucheger, WETA Federal Legislative Representative

SUBJECT: WETA Federal Legislative Board Report – February 25, 2015

MAP-21 expires on May 31, 2015. While it is unlikely that members of the Senate Finance Committee and House Ways and Means Committee (both with jurisdiction over the financing aspects of MAP-21) will identify a long-term funding source by that time, members of the Senate Environment and Public Works (EPA) Committee (with jurisdiction over the Federal Highway Administration), the Senate Banking Committee (with jurisdiction over the Federal Transit Administration), the Senate Commerce Committee (with jurisdiction over the safety provisions in MAP-21) and the House Transportation and Infrastructure (T&I) Committee (with jurisdiction over all aspects of MAP-21) are working hard to draft legislation that can be taken up and passed by the deadline.

Advocating for WETA Priorities on Capitol Hill

The fact that the authorizing committees are working with the May 31 date in mind is why we are working now with our allies in Congress towards promoting federal fund programming priorities for WETA's ferry system including:

1. To preserve changes made to the Federal Highway Administration (FHWA) ferry formula program by the MAP-21 Reauthorization Act (S.2322), which was marked up by the Senate Environment and Public Works (EPW) Committee on May 15, 2014.

S.2322 made two significant changes to the FHWA ferry formula program first created by MAP-21: 1) the bill increased the annual funding dedicated to this program to \$75 million (from \$67 million); and 2) it changed the formula from one that disadvantages WETA [45% vehicles, 35% route miles, 20% passengers] to one that is more favorable for WETA [35% passengers, 35% vehicles, 30% route miles].

2. Increase the level of funding for the Federal Transit Administration (FTA) ferry grant program from \$30 million per year to \$60 million per year.

Leveraging Our Public Ferry Allies to Gain Additional Political Support for WETA Legislative Priorities

We are continuing to work with other public ferry systems to get other members of Congress on board with these priorities, and already we are making good progress. We have confirmation that New York Senator and EPW Committee member Kirsten Gillibrand (representing New York City/Staten Island Ferry) has told EPW Committee leaders that preserving changes made to the

FHWA program by S.2322 is a top priority for her; and New York Senate Chuck Schumer (also representing NYC/Staten Island Ferry) has made increasing funding for the FTA ferry program from \$30 million per year to \$60 million per year a priority of his.

Also underway are efforts to get newly-elected Alaska Senator Dan Sullivan to convey his support for public ferry funding to EPW Committee Chairman (and fellow Republican) Jim Inhofe (R-OK). As previously reported, Chairman Inhofe, who represents the state of Oklahoma, doesn't necessarily support federal funding for public ferry systems, especially through the FHWA.

What Happens if Congress Fails to Pass a New Surface Transportation Bill

Under the likely scenario that Congress fails to pass a new policy bill by May 31, and simply extends current law, WETA would still receive funding from the FHWA ferry formula program. Last year, WETA received \$451,903 under this program. WETA will also be able to compete under an extension of current law for some of the \$30 million in funding that will be available through the FTA ferry grant program. WETA was recently awarded \$3 million through this program last year.

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

(February 5, 2015)

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 Jody Breckenridge called the meeting to order at 1:03 p.m. and led the Pledge of Allegiance. Other directors present were Director Timothy Donovan and Director Anthony Intintoli.

2. REPORT OF BOARD CHAIR

Chair Breckenridge noted attendance at an outreach meeting with WETA staff and the United States Coast Guard which was included in the Executive Director's report.

3. REPORT OF DIRECTORS

No reports.

4. REPORTS OF STAFF

Executive Director Nina Rannells referred the Board to her written report and offered to respond to any questions. She then reported on several additional items.

Firstly, Ms. Rannells reported on her January 23 attendance along with Manager of Planning and Development Kevin Connolly and Senior Planner Chad Mason at a meeting of the West Contra Costa Transportation Advisory Committee, noting that the committee had approved Measure J funds for consideration to the Contra Costa Transportation Authority at their February 17 meeting in support of the Richmond ferry service. She added that Mr. Connolly had also attended a committee meeting on February 4 at which the funding had also been approved.

Secondly, Ms. Rannells reported she and Chair Breckenridge met on January 22 with USCG Rear Admiral Joseph Servidio of the Eleventh Coast Guard District and also attended a meeting the next week with Administrative/Policy Analyst Lauren Gularte and Operations Administrator Kevin Donnelly on Treasure Island, both as a precursor to developing a scope for an updated emergency response plan.

Ms. Rannells then introduced Mr. Donnelly who delivered an overview of the recently completed East Bay Terminal Refurbishment Project. Mr. Donnelly noted that Operations Manager Keith Stahnke had been the mastermind of the project and that due to Mr. Stahnke's planning and expertise, along with that of WETA's contractors and consultants, the projects had been executed successfully.

Mr. Donnelly reported on the details of the work performed and added that there had been was no negative impact to operations and that service from the East Bay to SF was maintained by closing only one terminal at a time on the Oakland/Alameda route.

Director Intintoli noted that the Board continued to have a vacant seat and asked Attorney Stan Taylor to confirm his understanding that, as only three members were in attendance, in the event that all three

did not agree on an item it would be held over. WETA counsel Stanley Taylor of Nossaman LLP replied that that was correct and that any item would require three votes in favor to pass.

Director Intintoli referred to the financial report and noted that farebox recovery looked good. Ms. Rannells agreed, stating that the system overall stood at 51% and noting individually the services had different costs and revenue fluctuation throughout the year.

Ms. Rannells then discussed the written legislative updates included in the report. She reported that in an earlier teleconference with WETA Federal Legislative Representative Peter Friedmann of Lindsay Hart, LLP, Manager of Finance and Grants Lynne Yu and Administrative Policy Analyst Lauren Gularte that Mr. Friedmann said he had been approached by Minority Leader Pelosi's office regarding the language and eligibility criteria relating to the FTA formula for the ferryboat discretionary grant program and that they were looking into ways to increase funding for the program.

5. CONSENT CALENDAR

Director Intintoli asked what a duct bank was. Mr. Connolly explained that the duct bank was a series of pipes used as utility ducts, the leasing of which would avoid the need for underground excavation. Chair Breckenridge asked if the 30 year term on the lease was customary. Mr. Connolly said that it was.

Director Donovan noted that there are multiple ducts and expressed a concern that there might be other utilities utilizing those ducts in the future. Mr. Taylor noted a non-intrusion provision which WETA asked be included in the lease agreement which would require WETA's consent prior to any disturbance of the ducts. Director Donovan asked if this would be a cost savings to the project. Ms. Rannells suggested that considering the unknowns which had been uncovered during site excavation that \$30 for 30 years of duct bank seemed like a very good deal.

Public Comment

Jerry Bellows of the Maritime Administration asked about the \$5,000 fee to be paid upon execution of the lease. Ms. Rannells replied that it was a deposit which was largely returnable upon conclusion of the lease. Chair Breckenridge further clarified that \$1,400 of the \$5,000 was a non-returnable administrative fee.

Director Intintoli made a motion to approve the consent calendar which included the Board of Directors meeting minutes of January 8, 2015 and a lease agreement with the Pittsburg Power Company and Lennar Mare Island, LLC.

Director Donovan seconded the motion and the consent calendar carried unanimously.

Yeas: Breckenridge, Donovan, Intintoli. Nays: None.

6. APPROVE CONTRACT AWARD TO BAY SHIP & YACHT FOR REFURBISHMENT OF FERRY VESSEL PERALTA

Manager of Public Information and Marketing Ernest Sanchez presented this item requesting Board approval of a contract award to Bay Ship & Yacht for the refurbishment of the MV *Peralta* in an amount not to exceed \$3,387,385 and to authorize the Executive Director to negotiate and execute an agreement and all other documents necessary to support this work. Mr. Sanchez noted that Mr. Stahnke had planned this item from inception and that he had been managing the item on Mr. Stahnke's behalf.

Director Donovan asked how many contractors on the contract opportunity distribution list were in the Bay Area. Administrative Analyst Scott Houston replied that he was uncertain regarding the geographic breakdown. Director Donovan noted that only two proposals had been received and asked if three proposals were required in order to approve a contract. Mr. Taylor replied that any number of responsive proposals was sufficient. Director Donovan asked what the fee was for missed work days. Mr. Sanchez replied that it was \$3,600 per day.

Director Donovan asked if the award would meet the required DBE participation. Ms. Gularte replied that WETA's DBE program established a participation goal but not a requirement, adding that there are very few DBEs available for shipyard related work.

Director Intintoli asked what the cost would be for Phase 2 of the work. Mr. Sanchez replied that it would be approximately \$1 million. Director Intintoli asked if Phase 1 would be completed in time for the summer schedule. Mr. Sanchez said that it would be and that it was unlikely that a substitute vessel could be obtained in time for the summer schedule in the case where the vessel work is not completed on schedule.

Ms. Rannells noted that Mr. Stahnke had looked extensively for suitable, lease-able replacement vessels for use during the work period and had not found anything. Chair Breckenridge noted that there was limited availability across the nation and that compatibility would be an issue in any case. Mr. Sanchez said that the Alaskan ferry vessel *Klondike* may have been suitable but that it would have required a return to Alaska by March.

Public Comment

Mr. Bellows reported that WETA had been mentioned in Marine News regarding the boom in the shipbuilding business.

Chair Breckenridge added that shipyard and drydock availability was extremely tight everywhere and that work needed to be scheduled well in advance.

Director Intintoli made a motion to approve the item. Chair Breckenridge seconded the motion. Director Donovan voted no.

Yeas: Intintoli, Breckenridge. Nays: Donovan.

Accordingly the motion failed.

Chair Breckenridge asked Mr. Taylor if the item could be held-over for consideration until all four Board members were present at the March meeting. Mr. Taylor indicated that the item could be reviewed pursuant to a reconsideration motion.

7. APPROVE PROPOSITION 1B PROGRAM OF PROJECTS AND AUTHORIZE AGENCY OFFICIALS TO EXECUTE PROGRAM REQUIREMENTS

Ms. Rannells presented this item requesting that the Board authorize actions related to the FY2013/14 and FY2014/15 Proposition 1B Waterborne grant programs including approving projects for transmittal to the California Governor's Office of Emergency Services and authorizing the Executive Director, Attorney and Finance and Grants Manager to execute grant program documents and to take all other actions as may be required to obtain funding.

Chair Breckenridge asked for more information on what the \$13 million in the 2014/15 budget for vessels would mean for WETA. Mr. Rannells replied that it would be available to support replacement

of existing vessels and the purchase of one additional backup vessel, clarifying that funding from an additional source or sources would be required to fund vessel projects.

Public Comment

Mr. Bellows noted that these funds did not appear to consider the Central Bay Operations and Maintenance Facility.

Ms. Rannells replied that the maintenance facility project was considered to be fully funded. Senior Planner Michael Gougherty added that WETA would be releasing bid documents for the project during the coming summer and that construction was expected to commence in 2016.

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

Yeas: Breckenridge, Donovan, Intintoli. Nays: None.

8. APPROVE AMENDMENT TO AGREEMENT WITH ROMA DESIGN GROUP FOR DESIGN AND ENGINEERING SERVICES FOR THE DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT

Mr. Gougherty presented this item requesting that the Board approve Amendment No. 3 to Agreement #10-005 with ROMA Design Group in the amount of \$3,620,000 to provide Phase II Preliminary and Final Design services for the Downtown San Francisco Ferry Terminal Expansion Project and authorize the Executive Director to execute the amendment.

Director Donovan asked if the design included LEED certification goals and if the documents included options for solar and other alternative energy sources. Mr. Gougherty replied that LEED goals did not apply directly to projects such as the Downtown San Francisco Ferry Terminal Expansion Project which did not include HVAC systems, but that other goals such as "Zero Net" were more applicable. He added that solar was already included as an option, noting that the project was in a historic district and that this would need to be considered for inclusion of the solar element.

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

Yeas: Breckenridge, Donovan, Intintoli. Nays: None.

9. AUTHORIZE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE LEASE AGREEMENT AND RIGHT OF ENTRY PERMIT WITH CITY OF ALAMEDA FOR THE CENTRAL BAY OPERATIONS AND MAINTENANCE FACILITY

Mr. Gougherty presented this item requesting that the Board authorize the Executive Director to negotiate and execute a Lease Agreement and a Right of Entry Permit with the City of Alameda and take any other such related actions to acquire property for the Central Bay Operations and Maintenance Facility.

Mr. Gougherty presented an overview of the project area and introduced Danielle Gensch of Nossaman LLP who had negotiated the lease agreement.

Chair Breckenridge expressed a concern for security as the maintenance facility was exposed with very few other buildings in the area. Mr. Gougherty noted that there would be an eight foot fence and other security elements in place. Chair Breckenridge acknowledged these precautions but reiterated the

disposition of the surrounding area and that anyone in the area would be able to walk right up to the fence.

Director Intintoli asked about the relocation of the least tern nesting area. Char Breckenridge noted that they were a protected species and that once nested they would not relocate on their own. Mr. Gougherty added that it was a significant colony and important habitat for the least tern and that WETA had coordinated with the National Marine Fisheries Service and the US Fish and Wildlife Service to ensure WETA adopted the proper mitigation measures to not negatively impact the tern colony.

Mr. Gougherty also noted during development of the project staff had been made aware that harbor seals were pulling out onto existing pier structures. He said that staff had initiated a consultation with a group at NOAA with jurisdiction regarding the Marine Mammal Protection Act in order to ensure that WETA's activities would not negatively impact the seals. Mr. Gougherty added that staff had also been working on the issue with the City of Alameda and BCDC and that an agreement with the City to potentially fund an alternative haul-out site once the existing structure was demolished.

Chair Breckenridge stated a concern about hazardous materials at the site and asked if the lease provided for remediation in the event issues were uncovered. Mr. Gougherty noted that during the Phase 1 environmental site assessment the site was found not likely to be contaminated and that the assessment did not recommend the need for a Phase 2 assessment. He added that sediment sampling on the waterside site indicated that materials could be relocated to other marine sites, which was a relatively clean standard.

Ms. Gensch agreed, noting that the primary concern was US Navy's historical use of the property and that the most likely contaminant would be petroleum given its prior use as a marina. She added that the hazardous materials section of the lease, Section 12, was one of the most heavily negotiated sections of the lease. Ms. Gensch reviewed the relevant lease terms in detail.

Chair Breckenridge said that from her perspective Ms. Gensch has negotiated this part of the lease to minimize risk to WETA to the best of her ability. She then asked if it was difficult to find suitable sites for WETA facilities. Mr. Gougherty said that other sites which had been considered had significant and critical constraints but that this location had everything WETA required.

Director Donovan asked that if WETA located a preferable site in the future if it would be tied to the current site with the lease. Ms. Gensch replied that Section 20 of the lease stated that WETA did not need to remove or restore the site at lease termination. She said that there had been no early termination terms negotiated in order to get the best possible deal for WETA but that it could be done if needed.

Public Comment

Veronica Sanchez, Masters, Mates & Pilots said that she was very supportive of the project and was looking forward to MM&P engineers staffing the facility. She said that MM&P would want input regarding staffing issues and design. Ms. Sanchez also said she would like details regarding the emergency response components of the facility.

Public Comment

Mr. Bellows noted that the MARAD ships as well as their continuity facility were in the same area as the WETA site and that he thought it was a good location.

Public Comment

Richard Bangert of Alameda spoke regarding the harbor seal issue, stating that it was encouraging news that the issue of constructing a haul-out was under discussion with the City of Alameda, but he said that for purposes of the lease at hand it should be considered as hearsay. He advised the Board to postpone approval of the lease agreement until there was written confirmation of a plan to relocate the harbor seal haul-out, as otherwise there would be no recourse to see that one is built. He said that it did not appear that the National Marine Fisheries Service would provide any help as they had not contributed during the open comment period for the project. He said that the issue should be brought to BCDC before the City signed off on the project and added that the citizens who walk the trail near the site know that the seals are there and that it was not the City's fault that they were missed by WETA's environmental consultant. He urged the Board to postpone approval of the lease until the issue had been resolved.

Public Comment

Irene Dieter of Alameda said that she was a part of an organized group working on protecting the harbor seals' environment and was asking WETA to build another haul-out site now before moving forward on the site, not after. Regarding the existing site, she said that it was in a beautiful area with a campground and the Bay Trail adjacent and that the seals had taken up the location due to its serenity. She said an ideal site would be on the other side of Seaplane Lagoon where the City was expected to create a park with wetlands. She said that she was also concerned about fuel storage at the WETA site, noting that the only route to deliver fuel would be through the Alameda tube. Ms. Dieter said that she also wanted to hear about what improvements WETA planned for the park. She said that if WETA didn't want a big pushback on the project, they would be smart to work on a new haul-out site before doing anything else.

Director Donovan asked about the issues surrounding building a haul-out prior to the project versus after. Mr. Gougherty replied that staff agreed that the other side of Seaplane Lagoon was the ideal location for the haul-out as placing it near the maintenance facility was not practical as the water was either too shallow or too deep. He said that the harbor seal issue had first been brought to staff's attention at a January 2014 BCDC design review board meeting and that WETA immediately began consulting with NOAA on the issue but that they had not recommended building a new haul-out. Mr. Gougherty said that WETA also addressed the issue with BCDC but that they deferred to NOAA on the issue.

Mr. Gougherty added that notwithstanding NOAA's position, in order to address community concerns WETA had met with the City to discuss funding a haul-out. He said that WETA was committed outside of any regulatory requirement to address this issue with the City on behalf of the project. Mr. Gougherty added that as a timeline and funding details had not yet been worked out that it was not appropriate to include the haul-out relocation in the lease.

Mr. Connolly added that BCDC was amenable to requiring WETA to fund a haul-out at Seaplane, but that in order to achieve a BCDC permit, WETA had to first execute the lease.

Director Donovan said that he understood the need to execute the lease first, but asked if the commitment could be entered into an MOU in order to reassure the public. Mr. Connolly said that was possible and Mr. Donovan said he would like to see something like that.

Chair Breckenridge directed staff to update the Board regularly on the issue.

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

Yeas: Breckenridge, Donovan, Intintoli. Nays: None.

10. APPROVE SPECIAL EVENT FARE POLICY MODIFICATION AND AUTHORIZE PUBLIC OUTREACH FOR THE PROPOSED 2015 GIANTS SEASON AT&T PARK FERRY FARES

Mr. Gougherty presented this item requesting that the Board approve an updated fare policy for WETA special event services and authorize staff to conduct public outreach on proposed 2015 Giants season AT&T Park ferry fares. Mr. Connolly added that the item was intended to avoid operating these services at a deficit.

Director Intintoli stated that he would be interested in seeing what could be done to close the 10% operating deficit but that he would not support operating the service for a profit. He said that it was a bad PR move, that it made no sense, and that no customers would want to spend any more on the service than they already did. He said that because the Giants did not offer youth discounts on tickets did not mean that WETA should adopt the same policy, rather that perhaps the team should look to WETA as an example instead.

Ms. Rannells pointed out that the intent of the item was to create a discussion to look at how the fares should be set and to make the fares and fare categories consistent across service. Mr. Gougherty added that some kind of adjustment would need to be made to make the service economically sustainable.

Chair Breckenridge noted that BART did not change its fares for special events but instead increased their service. She also noted that Alameda was a USCG city, which is likely why that service included a military fare and asked staff to look at that.

Mr. Gougherty said that there were several alternative scenarios that could be considered but that if WETA wanted to break even on the service in 2015 a change would need to be made.

Chair Breckenridge said that WETA needed to look at the service provided and to take a reasonable approach to making the service self-sustaining. Director Intintoli said that what bothered him was the phrase "at a minimum". Director Donovan asked what percentage of riders was categorized as youth.

Ms. Rannells reiterated that this item was intended to start a discussion about ways to avoid running the service at a loss.

Chair Breckenridge asked what costs were included in the model. Mr. Gougherty replied that they included marginal labor rates, vessel costs for maintenance and wear and tear, fuel, ticket agents and Port of San Francisco landing fees.

Chair Breckenridge asked in what ways the ballpark service impacted WETA's regular services. Mr. Donnelly replied that it stressed the other services considerably. He said that evening runs were impacted at the Ferry Building, especially on Vallejo boats, and that last evening crews were required to do an additional run at the end of their shifts. Mr. Connolly noted that for the East Bay services an additional boat was required for ballpark runs which significantly constricted WETA's flexibility.

Mr. Gougherty said that he clearly understood the Board's reservations and asked if staff should remove the recommended options and then seek recommendations from the public in general.

Director Intintoli said that he did not support the item being brought to the public at this time.

Chair Breckenridge noted that the youth category had expanded to age 18. Mr. Connolly replied that it was in response to a region-wide effort to standardize the category.

Director Donovan asked if there was time to discuss the item further before fares were set for 2015. Mr. Gougherty replied that outreach would need to begin this month in order to impact fares before the start of the 2015 season. Ms. Rannells added that staff estimated a \$60,000 deficit for the Vallejo ballpark service if WETA failed to make an adjustment.

Chair Breckenridge asked staff for anything it could do to simplify the fare structure proposals, reiterating that WETA needed to focus on its regular services and that the ballpark service needed to pay for itself. Director Intintoli said that he was concerned that the options presented would do more than cover the current 10% deficit.

Chair Breckenridge tabled the item for further discussion at the March Board meeting.

11. OVERVIEW OF UPCOMING SUMMER SCHEDULE CHANGES

Mr. Connolly presented an informational overview of schedule adjustments developed to respond to increasing demand for ferry service while maximizing system efficiencies and utilization of vessels and crews.

Ms. Rannells pointed out that this plan would squeeze some additional service out of existing resources, but added her concern that WETA may not be able to implement these service increases without the refurbishment of the *Peralta* moving forward this month.

Chair Breckenridge asked what the latest date would be for work to begin on the *Peralta* in order for it to be available for the summer schedule.

Public Comment

Jason Covell of Blue & Gold Fleet and construction manager for the *Peralta* project said that work had been scheduled to begin on Wednesday in order to assure the vessel's availability for the summer schedule.

Chair Breckenridge asked Director Donovan if he would share his concerns regarding the *Peralta* contract with the Board. Director Donovan said his primary concerns were if the RFP process was sufficiently competitive, if DBE participation was acceptable, and if there was any subcontracting work available for DBE firms.

Ms. Rannells asked Ms. Gularte, WETA's DBE Administrator, to comment. Ms. Gularte said that there was very little subcontract work available on this project, due to the nature of the work. She also noted that WETA does not set contract goals for DBE participation, rather the agency sets an overall triennial goal that must be achieved each year of the three year period. She added that because there is no contract goal, DBE participation is not part of the evaluation criteria. Ms. Gularte noted that in general, there is very little DBE participation in shipyard work and that both proposers had no DBE participation. Ms. Gularte added that as part of the proposal process all firms were required to fill out DBE forms in order to be considered responsive and that each bidder was required to list each sub proposal but was not required to make a DBE commitment.

Mr. Taylor reiterated that WETA's DBE program was goal oriented and not a requirement and that WETA was to make an effort to meet this goal but not required to meet it. He added that it was very difficult to find boatyards that could meet WETA's work schedules and that yards located outside the Bay Area were unlikely to be able to complete the work at a profit.

Director Donovan said that he would like ample time for the Board to table or consider items in the future and not be backed into decisions. Chair Breckenridge added that if the Board had questions that it should have time to consider them.

Director Intintoli asked if the item could be reconsidered at this time. Director Donovan said that he would not object and asked that staff be aware of providing the Board with ample time for future items to allow Board consideration.

6. RECONSIDERATION/APPROVE CONTRACT AWARD TO BAY SHIP & YACHT FOR REFURBISHMENT OF FERRY VESSEL PERALTA

Director Intintoli made a motion to reconsider the motion to approve contract award to Bay Ship & Yacht for the refurbishment of the MV *Peralta* in an amount not to exceed \$3,387,385 and to authorize the Executive Director to negotiate and execute an agreement and all other documents necessary to support this work. Chair Breckenridge seconded the motion and the reconsideration motion carried unanimously. A further discussion of the urgent need to award the contract on an expedited basis followed.

Following the discussion Director Intintoli moved to approve the main motion, that is, upon reconsideration to approve award of the contract. Chair Breckenridge seconded the motion.

Yeas: Breckenridge, Donovan, Intintoli. Nays: None.

Accordingly the motion passed.

12. PUBLIC COMMENT

Mr. Bangert asked staff for an update to the status of the Alameda Access Study, noting the difficulty in parking at the Harbor Bay ferry terminal.

Mr. Connolly said that the City of Alameda was hosting a public meeting at Harbor Bay on the subject on February 24 and that staff anticipated bringing the study to the Board in June.

13. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:32 p.m.

Respectfully Submitted,

Board Secretary

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Public Outreach for Ballpark Ferry Service Fare Changes

Recommendation

Authorize staff to initiate public outreach on proposed ballpark ferry service fare changes.

Background

In November 2011, WETA adopted a Fare Policy that was developed to support system cost recovery and promote ridership. In September 2014, WETA developed and approved a FY2015-2020 Fare Program that standardizes fare categories, establishes common fare products, promotes consistent discount pricing and provides for annual fare increases over a multi-year period for regular WETA services. Because the 2011 Fare Policy identified a separate objective for special event services - to recover the full incremental cost of these through farebox or other special revenues - these services were not included in the FY2015-2020 Fare Program.

Ballpark ferry services have been provided by WETA and its predecessor ferry operators since the opening of AT&T Park as the San Francisco Giants new home along the central San Francisco waterfront area known as China Basin. Since the inaugural 2000 season at AT&T Park, home attendance for Giants games has regularly ranked amongst the top five of Major League Baseball, consistently drawing over 40,000 fans per game. As part of a strategy to minimize potential impacts caused by game day traffic, the Port of San Francisco and Giants agreed to construct the China Basin Ferry Terminal adjacent to the ballpark to encourage fans to take ferries to the ballpark.

Ferry services at the ballpark offer other benefits in addition to mitigating local traffic impacts near the ballpark on game days. Ballpark ferry services divert the surge of riders that would otherwise crowd transit services, thus minimizing potential disruptions for regular commuters. Without this diversion, capacity on the regular commuter ferries would frequently be maxed out and riders would be left behind. The ballpark services also offer a powerful marketing opportunity to introduce prospective riders to the allure and availability of ferry services on San Francisco Bay.

Upon the conclusion of the recent, and successful, San Francisco Giants baseball season, staff conducted a performance review of each ballpark ferry service to assess its consistency with WETA's 2011 Fare Policy concerning special event services. The findings of these reviews are summarized below. Staff has also developed three alternative fare structures that define potential fare changes for the 2105 Giants baseball season.

Discussion

In 2014, WETA provided ballpark ferry service for two pre-season, 82 regular season, and eight playoff home games. For Vallejo, WETA operated direct roundtrip service for weekend, holiday, and weekday day games, as well as direct return service for weekday night games. For Alameda/Oakland, WETA provided direct roundtrip service for weekend, holiday, and weekday night games only. Tickets were available for advance purchase through WETA's online vendor, as well as staffed WETA ticketing facilities. Ridership, revenues, expenses and other performance metrics associated with the ballpark services for the 2014 Giants season (excluding playoff games) are summarized below.

Ridership

Table 1 shows average daily ridership for each service, as well as total annual ridership.

Table 1: Average Daily Ballpark Boardings and Annual Ridership

	Weekday Day	Weekday Night	Weekend	2014 Annual Ridership	2013 Annual Ridership
Vallejo	589	133*	566	27,747	27,453
AOSF	N/A	508	657	39,906	35,728
<i>*direct return service only</i>					

For the Vallejo ballpark service, weekday day and weekend trips serving the ballpark averaged 90% and 87% occupancy respectively, while direct return service for weekday night games averaged only 41% occupancy. For Alameda/Oakland, weekday night game trips averaged 65% occupancy, while weekend ballpark trips averaged 84% occupancy. For the entire 2014 Giants season (excluding playoffs), total annual ridership increased 1% for the Vallejo service and 12% for the Alameda/Oakland service from 2013.

Fares and Revenues

Ballpark fares are summarized alongside regular fares for each respective service in Table 2.

Table 2: Comparison of Ballpark and Regular Service Fares

	Adult	Monthly Pass	Youth	Senior/ Disabled	Military
Vallejo Ballpark	\$13.50	\$290/month	\$6.75 (6-12)	\$6.75	N/A
Vallejo Regular	\$13.00	\$290/month	\$6.50 (5-18)	\$6.50	N/A
AOSF Ballpark	\$7.50	N/A	\$4.75 (5-12)	\$5.25	\$6.25
AOSF Regular	\$6.25	N/A	\$3.10 (5-18)	\$3.10	N/A

In general, ballpark fares are consistently higher than regular fares for each route with a relatively greater premium imposed for the Alameda/Oakland ballpark service. Youth eligibility criteria are also more restrictive for ballpark services compared to WETA standards for its regular services. For the Alameda/Oakland ballpark service, discounts offered for youth/senior/disabled fares are less robust than standard WETA discount rates; however, discount rates for the Vallejo service are consistent with standard WETA rates. Of note, the

Vallejo Monthly Pass is currently accepted as fare payment for return service provided during weekday night games only. A breakout of ticket sales by fare category is provided in Table 3.

Table 3: Ballpark Ridership by Fare Category

	Adult	Monthly Pass	Youth	Senior/ Disabled	Military	No Fare
Vallejo	55%	15%	9%	19%	N/A	2%
AOSF	76%	N/A	7%	14%	2%	2%

The average fare collected per passenger for the Vallejo ballpark service was \$10.22 compared to \$6.77 for the Alameda/Oakland service. In total, the Vallejo ballpark service generated \$283,620 in passenger fare revenue for the 2014 Giants season and the Alameda/Oakland service generated \$270,316 in revenue.

Operating Expenses

In determining the annual cost of operating ballpark services, staff considered expenses related to crews, fuel, vessel maintenance, lease costs of third-party vessels, ticketing, customer service, landing fees, and marketing associated with the services. The cost of providing the service can vary depending on the particular day and start time for games. For instance, ballpark service can be provided either using crews already deployed for regular WETA services or a separate crew depending on particular operating conditions.

The total annual cost of operating ballpark services for the 2014 season is estimated at \$277,989 for the Vallejo and \$249,221 for Alameda/Oakland.

Financial Performance

For the 2014 season (excluding playoff games) the Vallejo service generated a net operating surplus of \$5,631, resulting in a farebox recovery ratio (percent of operating expenses offset by fare revenue) of 102.0%, while the Alameda/Oakland service generated a net operating surplus of \$21,095, resulting in a farebox recovery ratio of 108.5%. In summary, both services were able to fully recover their full incremental operating costs for the 2014 baseball season, consistent with WETA's Fare Policy.

Staff has projected operating expenses for the upcoming 2015 Giants season assuming that the current level of service is maintained for each service and ridership demand increases by 3%. For the Vallejo service, annual operating expenses are estimated at \$322,564. For the Alameda/Oakland service, operating expenses are estimated at \$269,135. Assuming no change in fares, staff projects that the Vallejo ballpark service will incur an operating deficit of \$22,998 (92.9% farebox recovery ratio) during the 2015 Giants season, while the Alameda/Oakland service is projected to generate an operating surplus of \$14,114 (105.2% farebox recovery ratio).

Fare Structure Alternatives

In addition to ensuring that special event ballpark services continue to recover their full incremental operating costs, there are other factors that warrant adjustments to ballpark, including current discount rates and age criteria that are inconsistent between the two ballpark services and with regular WETA fares. Staff has developed a range of fare structure alternatives for the 2015 Giants season that address these issues in addition to WETA's Fare

Policy requirements that special event services recover their full incremental cost of operations.

Alternative #1: Flat Fare – Table 4 depicts a flat fare structure. As shown below, discount fare categories (the Vallejo Monthly Pass and youth/senior/disabled fares) would no longer be offered for ballpark services under this alternative. This fare structure would require increasing the base fare for the Vallejo service by 11% from \$13.50 to \$15.00 and no change to the base fare for the Alameda/Oakland service in order to continue recovering the full incremental cost of operations. The proposed fare structure in Table 4 is similar to the flat fares currently implemented by the Golden Gate Ferry system for its ballpark service to AT&T Park.

Table 4: Alternative #1 - Flat Fare

	Vallejo		AOSF	
	Current	Proposed	Current	Proposed
Adult	\$13.50	\$15.00	\$7.50	\$7.50
Monthly Pass	\$290/month	<i>N/A</i>	N/A	<i>N/A</i>
Youth	\$6.75 (6-12)	<i>N/A</i>	\$4.75 (5-12)	<i>N/A</i>
Senior/Disabled	\$6.75	<i>N/A</i>	\$5.25	<i>N/A</i>
Military	N/A	<i>N/A</i>	\$6.25	<i>N/A</i>

2015 Farebox Recovery Ratio	100.2%	110.6%
2015 Net Operating Surplus	\$523	\$28,424

Alternative #2: Standard WETA Discount Fares - Table 5 shows a fare structure option with discount fare rates (50% off) that are consistent with regular WETA services. Age categories and eligibility requirements for ballpark discount fares would also be the same as those set for regular WETA services. The Vallejo Monthly pass would continue to be accepted as fare payment for return services on Weekday night games only. This alternative would require increasing the base fare by 25% for the Vallejo service from \$13.50 to \$16.80 and increasing the base fare for the Alameda/Oakland service from \$7.50 to \$7.70 in order to continue recovering the full incremental cost of operations. Discount fares for Vallejo would increase from \$6.75 to \$8.40, but would be reduced for the Alameda/Oakland service.

Table 5: Alternative #2 – Standard WETA Discount Fares

	Vallejo		AOSF	
	Current	Proposed	Current	Proposed
Adult	\$13.50	\$16.80	\$7.50	\$7.70
Monthly Pass	\$290/month	\$307/month	N/A	<i>N/A</i>
Youth	\$6.75 (6-12)	\$8.40 (5-18)	\$4.75 (5-12)	\$3.80 (5-18)
Senior/Disabled	\$6.75	\$8.40	\$5.25	\$3.80
Military	N/A	<i>N/A</i>	\$6.25	<i>N/A</i>

2015 Farebox Recovery Ratio	100.7%	100.6%
2015 Net Operating Surplus	\$2,177	\$1,589

Alternative #3: Reduced Discount Fares – The fare structure shown in Table 6 for Alternative 3 is similar to Alternative 2; however, the discount fare rate for ballpark services would be set at 25% rather than the standard discount rate of 50% for regular WETA services. Age categories and eligibility requirements for ballpark discount fares would be the same as those set for regular WETA services. The Vallejo Monthly pass would continue to be accepted as fare payment for return services on Weekday night games only. Alternative 3 would require increasing the base fare for the Vallejo service by 5% from \$13.50 to \$14.20, while and no change to the base fare for the Alameda/Oakland service would be required in order to continue recovering the full incremental cost of operations. Under this option, discount fares for the Vallejo service would increase from \$6.75 to \$10.60 and discount fares for Alameda/Oakland would increase for youth from \$4.75 to \$5.60 and for senior/disabled from \$5.25 to \$5.60.

Table 6: Alternative #3 – Reduced Discount Fares

	Vallejo		AOSF	
	Current	Proposed	Current	Proposed
Adult	\$13.50	\$14.20	\$7.50	\$7.50
Monthly Pass	\$290/month	\$307/month	N/A	N/A
Youth	\$6.75 (6-12)	\$10.60 (5-18)	\$4.75 (5-12)	\$5.60 (5-18)
Senior/Disabled	\$6.75	\$10.60	\$5.25	\$5.60
Military	N/A	N/A	\$6.25	N/A

2015 Farebox Recovery Ratio	100.2%	105.0%
2015 Net Operating Surplus	\$692	\$13,544

Next Steps

Pending Board authorization, staff will begin the outreach process for soliciting comments on each fare structure alternative and related fare changes by notifying the general public and WETA passengers through on-board flyers, email and information on the WETA/San Francisco Bay Ferry web site. After a period of 30 days, the following steps would be taken:

- March/April 2015: Consider public input and develop a final recommended special event fare structure and fares for the upcoming 2015 Giants season;
- April 2015: Hold public hearing to receive input on the recommended ballpark fare structure and fares and present a final recommendation to the Board for approval; and

- April 2015: Implement ballpark fare changes for 2015 Giants season, pending Board approval.

Fiscal Impact

There is no direct fiscal impact as a result of this action.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Agreement with the Contra Costa Transportation Authority (CCTA) to Provide an Operational Subsidy for Ferry Service between Richmond and San Francisco

Recommendation

Authorize the Executive Director to execute the Cooperative Agreement with CCTA.

Background

The Richmond Ferry service was originally identified in the Implementation and Operations Plan in 2003. WETA and the City of Richmond have explored several terminal locations along the south Richmond waterfront. In 2012, a preferred terminal location was identified adjacent to the historic Ford Building. Since then, staff has completed conceptual design plans, coordinated with City staff on design and implementation, and conducted agency and public outreach. The WETA Board approved the project under the California Environmental Quality Act in September 2014. Staff is coordinating with the Federal Transit Administration to complete the National Environmental Policy Act documentation. Staff is also commencing with resource agency permitting.

As discussed at the January 2015 Board meeting and identified in the Executive Director's report, staff has been developing Project Agreements (also referred to as Cooperative Agreements or Memorandums of Understanding) with several expansion partners over the past few months. The intent of a project agreement is to define project components, capital improvements, conceptual service plans and ongoing operational needs in an effort to work cooperatively with funding and local partners to support new ferry services. In the case of Richmond, staff has worked closely with the Contra Costa Transportation Authority (CCTA), its regional advisory board the West Contra Costa Transportation Advisory Committee (WCCTAC) and the City of Richmond to develop a Cooperative Agreement that will serve as the basis of a 10-year funding agreement and future efforts among the involved agencies to support and plan for the Richmond ferry service.

Measure J is the Contra Costa County transportation sales tax measure approved by voters in 2004. Funding for ferry transit service in West Contra Costa County is included in Contra Costa's Measure J Expenditure Plan, under a program titled "22b" that sets aside 2.25% of sales tax revenues (projected to be between \$45 and \$60 million for either capital or operating needs. The Expenditure Plan states that the Water Transit Authority (predecessor agency to WETA) and WCCTAC shall determine how the Program 22b funds will be allocated. At its January 23, 2015 meeting, WCCTAC recommended to move forward with allocating Program 22b funds to provide an operational subsidy for ferry service between

Richmond and San Francisco. As the legislatively designated ferry service provider in the San Francisco Bay, WETA would provide the service. At its February 18, 2015 meeting, the CCTA Board approved entering into a cooperative agreement with WETA for these funds and authorized the Chair of CCTA Board to execute the Cooperative Agreement (CCTA Cooperative Agreement No. 22W.01) with WETA's Executive Director.

The CCTA staff report and Cooperative Agreement are attached to this item. The Cooperative Agreement includes a standard funding agreement contract along with the project agreement developed among the involved agencies under "Exhibit A".

Discussion

Staff from WCCTAC, City of Richmond, CCTA, and WETA has cooperatively drafted key terms to serve as the basis for the Cooperative Agreement ("Agreement"). The Agreement approved by the CCTA Board outlines the responsibilities and terms for allocation and administration of Measure J funds. Exhibit A defines the operating parameters of the Richmond Ferry Service, the level of ridership and revenue expected and the estimated operating subsidy required. In addition, development activities and capital funding responsibilities are defined in an effort to avoid confusion and establish strategies for jointly pursuing funding, permits and environmental clearance.

The initial level of service will offer three trips to San Francisco in the morning peak period (6AM-9AM), along with two reverse commute trips back to Richmond. In the evening peak period (3PM-7PM), there will be four trips from San Francisco to Richmond, with three reverse commute trips back to San Francisco. Some of the key operating parameters defined in the agreement are presented below.

- Establishes a minimum funding period of 10 years
- Defines responsibilities of WETA and CCTA
- Presents a conceptual service plan for commute-period service, with an option for midday or weekend service provided funding can be identified
- Establishes a fare schedule to 2020, consistent with WETA's 2015-2020 fare program
- Defines the process for developing a marketing plan
- Commits staff to an annual meeting with agency partners to discuss service planning, fare modification and marketing
- Discusses the responsibilities and utilization of ferry assets in the event of an emergency
- Identifies an estimated operational subsidy required and identifies Measure J funds as the source of funds for covering the subsidy
- Defines capital improvements and responsibility for funding components such as terminal, parking and vessels.

Next Steps

The execution of the Cooperative Agreement marks the beginning of the next phase of activity in the Richmond project. While the first day of operations is not expected until early 2018, key milestones and WETA Board actions as summarized below, will need to occur this spring and summer in order to meet this project timeframe:

- Amend design contract for the final design – April, 2015
- Authorize application for vessel funding– April, 2015
- Vessel procurement begins – Summer 2015
- Lease with City of Richmond – Summer 2016
- Landside construction begins – Winter 2017

- Waterside construction begins – Summer 2017
- First day of operations – Winter 2018

Fiscal Impact

The execution of the Cooperative Agreement with CCTA will provide operational subsidy for the Richmond Ferry Service for a minimum service period of ten years. It is estimated that a total of \$37.1 million in Measure J funds will be needed to support the Richmond Ferry Service during this period.

END

Planning Committee *STAFF REPORT*

Meeting Date: February 4, 2015

Subject	Authorize the Execution of Cooperative Agreement 22W.01 with the Water Emergency Transportation Authority (WETA) to Initiate Ferry Service between Richmond and San Francisco
Summary of Issues	As recommended by WCCTAC, staff seeks authorization for the Chair to execute a cooperative agreement with WETA for ferry service. WETA would operate ferry service under specified service parameters between Richmond and San Francisco. The service would be subsidized by Measure J funds from the West County sub-regional program “Ferry Service in West County” – Program 22b.
Recommendations	Authorize the Chair to execute Cooperative Agreement 22W.01.
Financial Implications	Approval of the Cooperative Agreement will provide a mechanism for the Authority to advance WETA Measure J funds for providing ferry service as described in the agreement in accordance with the Measure J Expenditure Plan. Allocation Resolutions will be brought to the Authority on an annual basis for approval.
Options	<ol style="list-style-type: none"> 1. Not approve the agreements at this time; 2. Direct staff to investigate other options.
Attachments <u>(See PC Packet dated 2/4/15 for Attachment B)</u>	<ol style="list-style-type: none"> A. Draft Richmond Ferry Project Agreement Terms Agreement 22W.01 B. Richmond Expense and Revenue Projection
Changes from Committee	<i>None</i>

Background

At its January 23, 2015 meeting West Contra Costa Transportation Advisory Committee (WCCTAC) recommended to move forward with allocating Measure J – Program 22b (West County Ferry) funds to subsidize ferry service between Richmond and San Francisco. As the legislatively designated ferry service provider in the San Francisco Bay, the Water Emergency Transportation Authority (WETA) would provide the service.

The new ferry service in Richmond is proposed to link a terminal on the Ford Peninsula, adjacent to the Craneway Pavilion, with the Ferry Terminal in San Francisco. Implementing the service is a WCCTAC policy goal that has been included in recent West Contra Costa County Action Plans. Funding for ferry transit service in West County is also included in Contra Costa’s Measure J Expenditure Plan. The Expenditure Plan states that the Water Transit Authority (predecessor agency to WETA) and WCCTAC shall determine how the Program 22b funds will be allocated. The specific Expenditure Plan statement reads:

22b Ferry Service in West County 2.3% (\$45 million)

Funds for ferry service in West County from Richmond, and Hercules or Rodeo to San Francisco (with potential stops in-between). The funds may be used for capital improvements (landside improvements, parking, lighting, etc.), operating the service, transit feeder service, way-finder signs, and/or other components of ferry service to be determined by WCCTAC and the San Francisco Bay Area Water Transit Authority (WTA), the agency authorized by the State to provide a comprehensive water transit system for the Bay Area. If the WTA is not able to use these funds, WCCTAC and the Authority will designate alternative recipient(s). Funding priority should be given to routes that demonstrate long-term sustainability.

Ferry Operations and Measure J

WCCTAC has recommended that the operating subsidy for the ferry be funded by Measure J, Program 22b funds. The operating subsidy is defined as the amount required to fund the balance of operating expenses, less revenue generated by passenger fares, parking fees, or other service-generated revenue. Currently WETA has no other operating funding that can be made available for the service.

The Measure J Expenditure Plan notes that Program 22b funds can be used either for capital improvements or operation of ferry service in either Richmond or Hercules/Rodeo. The cities of Richmond and Hercules have approved a side agreement that allows for Measure J funds to support Richmond ferry operations without precluding the future implementation of ferry service to Hercules.

In order for WETA to implement ferry service in Richmond, it is seeking an agreement that would allow for Measure J, Program 22b funds to support Richmond Ferry operations for a

minimum of ten years. The Cooperative Agreement will also spell out the details of the service being provided by WETA.

Capital Improvements

The capital improvements needed to initiate service will be overseen by WETA, in coordination with the City of Richmond. These improvements include the development of water-side facilities such as a floating dock and gangway. Other improvements include modifications to nearby parking lots. A separate lease between WETA and the City of Richmond will govern these real property assets. WETA will also procure two vessels that are needed for operation of service.

WETA will take the lead in securing capital funding for both the terminal facilities and the vessels. This will likely come from a blend of sources, including: the Federal Transit Administration (FTA), State Proposition 1B, and Regional Measure 2 funds. Altogether, the total capital cost for the terminal and vessels combined is between \$42 and \$46 million.

Cooperative Agreement Terms

Staff from WCCTAC, City of Richmond, CCTA, and WETA has cooperatively drafted key terms to serve as the basis for a formal agreement. Some of the points are outlined below. The full agreement term sheet, approved by WCCTAC, is provided as the scope of service to Agreement 22W.01 in Attachment A. This term sheet is being used to draft the cooperative agreement. Staff expects that the Agreement will be complete for Authority review and approval at its February meeting.

WETA will offer 3 trips to San Francisco in the morning (6AM-9AM), with two reverse commute trips back to Richmond. In the evening (3PM-7PM), it will provide 4 trips from San Francisco to Richmond, with three reverse commute trips back to San Francisco

- Mid-day service may be possible if demand and funding are sufficient
- CCTA would provide the subsidy to WETA for its actual annual operating expenses for the Richmond service using Measure J 22b funds.
- Operating funds will cover some marketing costs and a portion of WETA overhead. The amount allowed for overhead will be fixed at amount that is consistent with WETA's current operating cost analysis and will not rise by more than 2% per year.
- The Agreement would allow for at least ten years of operating funding. However, If the Program 22b category is depleted in less than ten years, CCTA will not be obligated to provide additional funds. Service would stop if no other funding is identified.
- WETA will be responsible for securing capital funds and for making capital improvements.
- Operating costs could be offset by fares, parking revenues or other revenues
- The WETA Board will govern the fare for the service, but CCTA and WCCTAC may provide input.

Next Steps

WETA has requested that the Cooperative Agreement be in place before it begins capital acquisition expenditures. Once the agreement is executed, WETA will begin procuring vessels, which is anticipated to take two years for delivery. The cooperative agreement is currently being drafted and reviewed by counsel and is anticipated to be completed by the February Authority meeting.

COOPERATIVE AGREEMENT NO. 22W.01

COOPERATIVE AGREEMENT

BETWEEN

THE CONTRA COSTA TRANSPORTATION AUTHORITY

AND

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

FOR SERVICES FUNDED THROUGH MEASURE J PROGRAMS

This COOPERATIVE AGREEMENT NO. 22W.01 (“AGREEMENT”) is made and entered into as of this 6th day of March, 2015, by and between the SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY, DBA San Francisco Bay Ferry, hereinafter referred to as “AGENCY” and the CONTRA COSTA TRANSPORTATION AUTHORITY, hereinafter referred to as “AUTHORITY”.

RECITALS

1. Pursuant to the Measure C Sales Tax Renewal Ordinance (#88-01 as amended by #04-02, #06-01, and #06-02), hereinafter referred to as Measure J, the AUTHORITY is authorized to expend funds for various public transportation programs and operations, including ferry service in West Contra Costa County.

2. The AGENCY is eligible to receive funding under Measure J Expenditure Plan Program 22b – West County Ferry Service.

3. The AGENCY intends to provide services and programs in accordance with the requirements of the Measure J Expenditure Plan and as defined in Exhibit A – Richmond Ferry Service Operating Parameters, hereinafter referred to as PROGRAM.

4. The AGENCY seeks a commitment from the AUTHORITY for Measure J funds, no earlier than July 1, 2015, for the purpose of providing services and programs as described in the Measure J Expenditure Plan programs listed in paragraph 2 above.

NOW, THEREFORE, in consideration of the foregoing, the AUTHORITY and the AGENCY do hereby agree as follows:

SECTION I

AGENCY AGREES:

1. Subject to appropriation by the AUTHORITY, to apply funds received under this AGREEMENT to provide PROGRAM pursuant to the work components set forth in an adopted annual AUTHORITY resolution(s) as described in SECTION II, Paragraph 1 of this AGREEMENT.

2. To maintain sufficient records demonstrating AGENCY's compliance with the terms of the Measure J Expenditure Plan and PROGRAM, including amendments, and this AGREEMENT for a period of five (5) years from the date of the annual AUTHORITY Resolution as described in SECTION II, Paragraph 1 of this AGREEMENT, to allow the AUTHORITY and its duly authorized representatives, agents and consultants access such records and to be audited. AGENCY shall ensure that audit working papers are made available to the AUTHORITY or its designee upon request for a period of three (3) years from the date the audit report is issued, unless extended in writing by the AUTHORITY.

3. To prepare and provide to the AUTHORITY documentation and reports, including but not limited to AGENCY's annual financial audit, as specified in the AUTHORITY Resolution as described in SECTION II, Paragraph 1 of this AGREEMENT.

4. To be responsible for the evaluation of consultants and contractors and the award of work consistent with this AGREEMENT.

5. Upon request, to provide copies to AUTHORITY and its agents and consultants of all executed contracts and other documents consistent with this AGREEMENT.

6. To comply with AUTHORITY adopted policies pertaining to the Measure J Program described in recitals, paragraph 2.

SECTION II

AUTHORITY AGREES:

1. To seek to pass a resolution each year consistent with available revenues to fund AGENCY for specific work components for the PROGRAM; setting forth the level of funding, purpose, payment schedule, methodology for determining actual AGENCY costs for PROGRAM, revenue-expense reconciliation

methodology, and service performance goals developed annually during the review meeting described in the "Adjustments to Fares, Schedule, Service Plan and Marketing Plan" paragraph in Exhibit A pursuant to this AGREEMENT. Such AUTHORITY Resolution shall be incorporated into Exhibit B and by this reference made a part hereof, provided notice of cancellation or termination of this AGREEMENT pursuant to Section III, paragraph 3 hereof has not been given.

2. To transfer funds to the AGENCY in accordance with the payment schedule for the purposes described in the relevant AUTHORITY Resolution, subject to AGENCY's compliance with Section I (4).

3. To provide timely notice if an audit is to be conducted.

SECTION III

IT IS MUTUALLY AGREED:

1. Indemnity. It is understood and agreed that neither AUTHORITY, nor any officer, employee, agent or contractor thereof, shall be responsible for, and AGENCY shall indemnify and hold AUTHORITY and its officers, employees, agents and contractors harmless from, any damage or liability occurring by reason of anything done or omitted to be done by AGENCY, its officers, employees, consultants or contractors, under or in connection with the services, authority or jurisdiction of AGENCY or delegated to AGENCY under this AGREEMENT. Without limiting the generality of the foregoing, it is further specifically understood and agreed that, pursuant to California Government Code Section 895.4, AGENCY shall fully indemnify and hold AUTHORITY and its officers, employees, agents and contractors harmless from any liability or damages imposed for injury as defined by California Government Code Section 810.8 occurring by reason of anything done or omitted to be done by AGENCY, its officers, employees, agents or contractors under this AGREEMENT or in connection with any services, authority or jurisdiction of AGENCY or delegated to AGENCY under this AGREEMENT.

In addition, AGENCY shall indemnify and hold harmless the AUTHORITY, its employees, agents, representatives, and successors-in-interest against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of its performance of a project or operation or use of the equipment that is subject to the AGREEMENT.

2. Notices. Any notice which may be required under this AGREEMENT shall be in writing and shall be effective when received, and shall be given by personal service, or by certified or registered mail, return receipt requested, to the addresses set forth below, or to such addresses which may be specified in writing to the parties hereto:

To the AGENCY:

Nina Rannells
Executive Director
WETA
Pier 9, Suite 111, The Embarcadero
San Francisco, CA 94111
rannells@watertransit.org

To the AUTHORITY:

Peter Engel
CCTA
2999 Oak Road, Suite 100
Walnut Creek, CA 94597
pengel@ccta.net

3. Term and Discharge of AGREEMENT.

a. This AGREEMENT is effective as of March 6, 2015 and will remain in effect until discharged as provided below.

b. This AGREEMENT shall be subject to discharge as follows:

(i) Except for breach of this Agreement which is discussed in subsection (ii) below, either party may terminate this AGREEMENT at any time for cause pursuant to a power created by the AGREEMENT or by law by giving written notice of termination to the other party which shall specify the basis for termination. Notice of termination under this provision shall be given at least ninety (90) days before the effective date of such termination. Except as provided in Section III, paragraph 14 below, on termination, all obligations which are still executory on both sides are discharged, but any right based on prior breach or performance survives.

(ii) This AGREEMENT may be canceled or terminated by either party for breach of any obligation, covenant or condition hereof by the other party upon notice to the breaching party. Except as provided in Paragraph 5 below, with respect to any breach which is reasonably capable of being cured, the breaching party shall have thirty (30) days from the date of the notice to initiate steps to cure. If the breaching party diligently pursues cure, such party shall be allowed a reasonable time to cure, not to exceed sixty (60) days from the date of the initial notice, unless a further extension is granted by the non-breaching party in the non-breaching party's sole discretion. On cancellation, the non-breaching party retains the same rights as a party exercising its right to terminate under the provisions of (i) above, except that the canceling or terminating party also retains any remedy for breach of the whole contract or any unperformed balance.

(iii) By mutual consent of the parties, this AGREEMENT may be terminated at any time.

(iv) Except as to any rights or obligations which survive discharge, as provided herein, this AGREEMENT shall be discharged, and the parties shall have no further obligation to each other upon the disbursement of the amount set forth in Section II, paragraph 2 above.

c. In the event that AGENCY ceases operation, upon termination of operation, any unexpended Measure J funding will be promptly reimbursed to the AUTHORITY.

4. Additional Acts and Documents. Each party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this AGREEMENT.

5. Limitation. All obligations of AUTHORITY under the terms of this AGREEMENT are expressly subject to the AUTHORITY's continued authorization to collect and expend sales tax proceeds provided by Measure J. If for any reason, the AUTHORITY's right to collect or expend such sales tax proceeds is terminated or suspended in whole or part, the AUTHORITY shall promptly notify the AGENCY, and the parties shall consult on a course of action. If, after twenty five (25) business days, a course of action is not agreed upon, this AGREEMENT shall be deemed terminated by mutual or joint consent; provided that any obligation to fund shall be expressly limited by and subject to (i) the lawful ability of the AUTHORITY to expend sales proceeds for the purpose of the AGREEMENT; and (ii) the availability, taking into consideration all of the obligations of the AUTHORITY under all outstanding contracts, agreements and other obligations of the AUTHORITY, of funds for such purpose.

6. Integration. This AGREEMENT represents the entire agreement of the parties with respect to the subject matter hereof. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This is an integrated Agreement.

7. Amendment. This AGREEMENT may not be changed, modified or rescinded except in writing signed by all the parties hereto, and any attempt at oral modification of this AGREEMENT shall be void and of no effect.

8. Independent Agency. The AGENCY performs its obligations under this AGREEMENT as an independent agency. None of the AGENCY's agents or employees shall be agents or employees of the AUTHORITY.

10. Assignment. This AGREEMENT may not be assigned, transferred, hypothecated or pledged by any party without the express written consent of the other party.

11. Binding on Successors. This AGREEMENT shall be binding upon the successor(s), assignee(s) and transferee(s) of the parties as the case may be. This provision is not an authorization to assign, transfer, hypothecate or pledge this AGREEMENT other than as provided herein.

12. Severability. Should any part of this AGREEMENT be determined to be unenforceable, invalid or beyond the authority of either party to enter into or carry out, such determination shall not affect the validity of the remainder of this AGREEMENT which shall continue in full force and effect; provided that the remainder of this AGREEMENT can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

13. Counterparts. This AGREEMENT may be executed in counterparts.

14. Survival. The following provisions of this AGREEMENT shall survive discharge:

(a) As to AGENCY, Section I, paragraphs 1 (duty to apply funds in accordance with AGREEMENT), 2 (duty to allow audits), 3 (duty to prepare report), 5 (duty to provide copies), 6 (duty to be comply with policies).

(b) As to AUTHORITY, Section II, paragraph 3 (duty to provide notice of audit).

(c) As to both parties, Section III, paragraphs 1 (indemnity obligation), 6 (integration provision), 8 (independent agency provision), 11 (binding on successors provision), 12 (severability provision), 14 (survival provision).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the effective date set forth above.

"AGENCY"

SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION
AUTHORITY

By: _____
Nina Rannells, Executive Director

ATTEST:

By: _____

APPROVED as to legal form:

By: _____

"AUTHORITY"

CONTRA COSTA TRANSPORTATION
AUTHORITY

By: _____
Kevin Romick, Chair

ATTEST:

By: _____
Danice Rosenbohm, Executive
Secretary

APPROVED as to legal form:

By: _____
Malathy Subramanian, Authority
Counsel

COOPERATIVE AGREEMENT 22W.01

EXHIBIT A

Richmond Ferry Service Operating Parameters

Term	This document covers the period necessary to establish the service, procure all capital improvements and capital and other equipment, and from the date of commencement of the service through the first 10 years of Richmond Ferry service operations. The agreement will commence on March 6, 2015.
Responsibilities	<p>WETA provides ferry service linking origin terminals with its hub terminal at the San Francisco Ferry Building. WETA will provide peak period commute service between the Richmond Terminal and San Francisco. Midday or weekend service may be considered, depending on demand and available operating resources.</p> <p>The Contra Costa Transportation Authority (CCTA) is a public agency formed by Contra Costa voters in 1988 to manage the county's transportation sales tax program and to do countywide transportation planning. CCTA is responsible for maintaining and improving the county's transportation system by planning, funding, and delivering critical transportation infrastructure projects and programs.</p> <p>Measure J is the transportation sales tax measure passed by Contra Costa County voters in 2004 and administered by CCTA. The 2011 Measure J Sales Tax Expenditure Plan identifies ferry service funding eligible to be used for capital or operations that shall be determined by "West Contra Costa Transportation Advisory Committee (WCCTAC) and the Water Transit Authority (WTA)".</p> <p>WCCTAC is the regional organization established by CCTA to provide policy guidance and administer county transportation funding in west Contra Costa, including Measure J county transportation sales tax funds. WCCTAC will provide input to CCTA for the use of Measure J program 22B funds for operation of the Richmond ferry service.</p>

Richmond Ferry Service Plan

Service Plan	<p>WETA will provide commute-oriented ferry service from Richmond to San Francisco in the AM peak period and San Francisco to Richmond service in the PM peak period. A minimum level of reverse-commute service will also be offered, primarily to reposition the vessel to make the maximum and optimal number of peak trips. Service will operate approximately 253 days per year. Weekend or holiday service is not anticipated at this time.</p> <p>Given the significant capital investment required, the service should be structured as an investment that will be in place for a minimum of 25 years to maximize the useful life of the capital assets. WETA recommends an initial operational commitment of ten years to build ridership for a commute</p>
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	<p>ferry service.</p> <p>Midday departures are proposed for consideration provided there is sufficient ridership demand and interest on the part of WCCTAC and the City of Richmond, and that there are sufficient funds to support this additional level of service. It is possible to offer Midday departures at the times detailed below on a trial basis to determine the level of demand. If the demand is not sufficient to cover fuel and landing fee costs, midday services would be discontinued after the trial.</p> <p>WETA will investigate the feasibility of linking Richmond service to other terminals in the WETA network in an effort to find cost efficiencies through interlining, vessel sharing and crew sharing. Interlining or other resource sharing will not negatively impact the service plan and schedule presented in this agreement.</p> <p>Special event service may be considered on a case-by-case basis and subject to WETA’s board policy for special event service cost recovery. Due to dock capacity constraints at AT&T Park, the service plan does not envision AT&T ballgame service from the Richmond Ferry Terminal.</p> <p>Consistent with WETA policies and practices, private vessel operators will be able to use the Richmond Ferry Terminal facilities provided they do not interfere with regularly scheduled WETA service and sign WETA’s standard landing rights agreement.</p>
<p>Ferry Service Level</p>	<p><u>Peak Period Service</u> Three departures between the hours of 6-9 AM from Richmond. Two reverse peak departures from San Francisco between the hours of 6-9 AM.</p> <p>Four departures between the hours of 4-8 PM from San Francisco. Three reverse peak departures from Richmond between the hours of 4-8 PM.</p> <p><u>Optional Midday Service</u> Departures between the hours of 9 AM and 3 PM, generally at hourly intervals from both Richmond and San Francisco, depending on crew availability and ridership demand.</p>
<p>Fares</p>	<p>The fare for the proposed Richmond service will be consistent with WETA’s fare policy and the board-adopted FY2015-FY2020 fare program. The following fare rate schedule is proposed:</p>

		RICHMOND FARES					
STANDARD FARES - 1/1/2015		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
Adult	\$8.30	\$8.50	\$8.80	\$9.10	\$9.40	\$9.70	
Adult (Clipper Only)	\$6.25	\$6.40	\$6.60	\$6.80	\$7.10	\$7.30	
Youth (5-18)	\$4.10	\$4.20	\$4.40	\$4.50	\$4.70	\$4.80	
Senior (65+), Disabled	\$4.10	\$4.20	\$4.40	\$4.50	\$4.70	\$4.80	
School Groups	\$2.70	\$2.80	\$2.90	\$3.00	\$3.10	\$3.20	
Children (under 5)	FREE	FREE	FREE	FREE	FREE	FREE	

Fare categories defined by age group and discount rates available through Clipper are WETA policy and not subject to change on individual routes. However, CCTA may wish to consider an alternate fare rate to encourage ridership or generate operating revenue. Any modification of the above fare schedule will require the approval of the WETA Board. It is anticipated that the WETA Board will adopt a new 5-year fare program in Fiscal Year 2020 that will set fare rates for the period FY2021 – FY2026. All fares are for one way travel.

Marketing Plan	WETA will work cooperatively with WCCTAC and the City of Richmond to produce an annual marketing plan. The marketing plan will detail how the marketing budget should be allocated and will be consistent with City of Richmond and WCCTAC efforts to promote transit and draw visitors to the waterfront.
Adjustments to Fares, Schedule, Service Plan and Marketing Plan	As demand changes over time, the Richmond service may require adjustments to its schedule, fares or service plan. WETA and WCCTAC shall meet on an annual basis to review system ridership performance as well as service and revenue goals for the upcoming fiscal year (July 1 through June 30), no later than February 28 of each year. An annual marketing plan will be developed in advance of the annual meeting and agreed to by the parties. Service plan and schedule adjustments will be made at seasonal intervals concurrently with adjustments to other WETA services.
Emergency Response and Recovery	<p>In the event of a natural disaster or disruptive regional event, WETA ferries may be called upon by the California Office of Emergency Services (Cal OES) to provide service from the Richmond ferry terminal for both emergency response and recovery after the event.</p> <p>In the immediate aftermath of an event, Cal OES will determine how to allocate regional transportation resources including ferries. The Richmond terminal will be an asset in this emergency network however it will be a state and regional decision as to how this asset will be used.</p> <p>In the weeks and months following an event as the Bay Area recovers, ferry service will play a critical role as a component of the regional transit network that can be quickly operationalized at terminals like Richmond.</p>

	Decisions regarding funding and asset deployment during the recovery phase will also likely take place at the state and regional level.
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Operations Funding

Operating Funding and Reimbursement	<p>CCTA shall provide an operational subsidy for the Richmond ferry service through Measure J Program 22b funding. The operational subsidy is defined as the amount required to fund the excess of operating expenses, over revenue generated by passenger fares, parking fees or other service-generated revenue. Operational funding will be provided for a minimum service period of ten years or as long as funding remains available in the Measure J Program 22b program category at a level sufficient to operate the service.</p> <p>Prior to the beginning of each fiscal year CCTA will prepare a funding resolution that will outline budgeted expenditures for the service, payments to WETA, actual expenditure verification and funding reconciliation procedures and performance goals as discussed at the annual meeting discussed above. CCTA will seek to have the resolution approved prior to the beginning of the fiscal year.</p>
Measure J Funds	<p>CCTA shall provide operating funds from Measure J sub-region program 22b – West County Ferry Service. These funds will be provided in compliance with the Measure J Expenditure Plan and will be calculated as 2.25% of annual transportation sales tax revenue including an funds accumulated in the program since the beginning of Measure J. CCTA is not responsible to provide funding support from any other Measure J or other source.</p>
Estimated Operating Expenses	<p>Operating Expenses are defined as those expenses which are required to operate and maintain a primary vessel and spare vessel for the service level as defined in this document. General maintenance and repair of terminal and landside facilities, such as parking lots, vessels and other service equipment will also be considered operating expenses. Finally, a portion of WETA administrative staff time and expense is included in the estimate of operating expenses.</p> <p>Attachment A presents an estimate of annual vessel operating expenses and revenues based on WETA’s experience in respect to current operation of other services and also includes costs based on assumptions regarding regulatory compliance, fuel and labor rates for commute-only services as described in the section captioned Ferry Service Level above. Actual expenses may vary from this estimate. Significant or structural changes to the regulatory environment and requirements governing crew levels will cause a revision of this agreement. Reimbursement for the operating subsidy will be based on the actual operating subsidy required to maintain Ferry Service Levels.</p>

Additional Operating Revenue Source	New state, regional or local funding for transit operations may become available during the term of this project agreement. CCTA, WCCTAC and WETA will work in partnership to actively pursue new operating revenue sources for the Richmond ferry service, to supplement Program 22B funds already identified for the service.
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Capital Funding, Maintenance and Rehabilitation

Vessels	<p>The Richmond service will require a primary vessel and a spare vessel to ensure reliable operations and will require the purchase or construction of two vessels in addition to the current WETA fleet. It is estimated that each vessel will cost approximately \$18 million. Funding for these vessels will likely come from federal and regional funding sources. Both the primary and the spare vessels will be integrated into the larger WETA fleet and there will be times when Richmond service is offered by other vessels.</p>
Ferry Terminal	<p>The Richmond Ferry Terminal site is located at the southwestern tip of the Ford Peninsula, adjacent to the Craneway Pavilion. Parking for 319 cars is located at an off-street lot at the foot of Harbor Way South, west of the roadway. The existing parking lot will be repaved and restriped by WETA to create additional off-street parking spaces. A ground lease with the City of Richmond will be negotiated separately and will govern the terms and conditions of operation and maintenance of these real property assets.</p> <p>The terminal will be an unmanned facility, only open when a vessel is at the terminal, generally for a period of not more than 5-10 minutes. Tickets will be sold and collected on board and at external ticketing sites. At some point electronic ticketing through Clipper will be included. There will be no bathroom facilities or waiting areas provided by WETA and designated specifically for ferry riders. However, nearby public restrooms as well as Bay Trail amenities such as benches and landscaping are available features of the area. Improvements constructed by WETA in connection with the ferry terminal development such as benches, a kayak launch and a portion of the parking lot improvements will be dedicated to the City of Richmond and available for the use of the general public.</p> <p>The waterside ferry facilities –including the float, gangway and a secure gate – will be owned and managed by WETA but available to private operators provided those landings do not conflict with WETA operations and the private operator enters into and meets the terms of WETA’s standard Landing Rights Agreement.</p>
Capital Funding	<p>Terminal construction costs for landside and waterside facilities under a shared-use scenario with a portion of the facilities available for private operations associated with the Ford Building at the terminal site are estimated to range between \$8 and \$12 million, and the two vessels that are required under the Ferry Service Level plan would cost approximately \$34 million, for a total project capital cost between \$42 and \$46 million. WETA has begun the process of identifying and securing funds to support the capital costs associated with this project, which would likely come from a</p>

	blend of Federal Transit Administration, State Proposition 1B, Regional Measure 2 and Contra Costa Measure J Program 22b funds. Regional Measure 2 funds eligible for Berkeley or Richmond will need to be dedicated to Richmond through an action at the Metropolitan Transportation Commission.
Capital Rehabilitation	Quarter and midlife rehabilitation of vessels and cyclical rehabilitation of waterside capital facility assets will be carried out by WETA utilizing federal, state, regional and local funds available to support such efforts. WETA and WCCTAC will work together to secure future funds to support these cyclical rehabilitation needs associated with the long-term operation of Richmond ferry service.
Facility lease	WETA will lease landside, waterside and parking facilities at the Ferry Terminal site for a cost of \$1 per year. A separate lease between the City of Richmond and WETA will be executed prior to execution of this agreement.

COOPERATIVE AGREEMENT 22W.01

**Attachment A to Exhibit A
Estimated Operating Expenses and Revenues**

ATTACHMENT B - Richmond Expense & Revenue Projection

	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 6 2023	Year 7 2024	Year 8 2025	Year 9 2026	Year 10 2027
Avg. Weekday Boardings, (1) (2)	487	521	558	597	638	683	731	782	837	895

Expenses

Vessel Expenses (3)	\$ 3,033,812	\$ 3,155,165	\$ 3,281,371	\$ 3,412,626	\$ 3,549,131	\$ 3,691,096	\$ 3,838,740	\$ 3,992,290	\$ 4,151,981	\$ 4,318,061
Non-Vessel Expenses (4)	\$ 42,182	\$ 43,870	\$ 45,624	\$ 47,449	\$ 49,347	\$ 51,321	\$ 53,374	\$ 55,509	\$ 57,730	\$ 60,039
Fixed Contract Operator Fees (5)	\$ 354,063	\$ 368,226	\$ 382,955	\$ 398,273	\$ 414,204	\$ 430,772	\$ 448,003	\$ 465,923	\$ 484,560	\$ 503,943
WETA Direct Expenses (6)	\$ 534,262	\$ 544,947	\$ 555,846	\$ 566,963	\$ 578,302	\$ 589,868	\$ 601,666	\$ 613,699	\$ 625,973	\$ 638,493
Contingency @ 10%	\$ 383,366	\$ 411,221	\$ 426,580	\$ 442,531	\$ 459,098	\$ 476,306	\$ 494,178	\$ 512,742	\$ 532,024	\$ 552,053
Total Expenses	\$ 4,347,686	\$ 4,523,428	\$ 4,692,376	\$ 4,867,843	\$ 5,050,083	\$ 5,239,364	\$ 5,435,962	\$ 5,640,163	\$ 5,852,269	\$ 6,072,588

Revenues

Fare Revenue (7)	908,793	1,001,581	1,103,842	1,216,544	1,340,753	1,477,644	1,628,512	1,794,783	1,978,030	2,179,987
22b Program Subsidy Required (8)	3,438,893	3,521,848	3,588,534	3,651,299	3,709,330	3,761,720	3,807,450	3,845,380	3,874,238	3,892,601

Farebox Recovery (9)	21%	22%	24%	25%	27%	28%	30%	32%	34%	36%
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Draw from 22b Reserve	\$ 1,352,108	\$ 1,355,390	\$ 1,339,366	\$ 1,318,814	\$ 1,293,032	\$ 1,258,617	\$ 1,214,415	\$ 1,159,172	\$ 1,090,785	\$ 1,007,718
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22b Program Reserve (10)	\$ 12,436,943	\$ 11,081,553	\$ 9,742,187	\$ 8,423,373	\$ 7,130,341	\$ 5,871,724	\$ 4,657,310	\$ 3,498,137	\$ 2,407,352	\$ 1,399,634
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NOTES:

- Year 1 ridership is estimated to be 50% of the forecast, based on South San Francisco experience (42%) with upward adjustment for higher level of service and stronger destination market
- Ridership growth is 7.1% per year, based on experience in Harbor Bay years 1-10
- Vessel Expenses include crew & maintenance labor, fuel and urea, vessel repair and materials, and vessel insurance. Vessel Expenses are escalated at 4% annually.
- Non-vessel Expenses include non-vessel materials and supplies, and professional fees. Non-vessel Expenses are escalated at 4% annually.
- Fixed Contract Operator Expenses include administration services, dispatch and supervision services, insurance deductibles, and profit. Fixed Contract Operator Expenses are escalated at 4% annually.
- WETA Direct Expenses include administration, facility O&M, lease costs, facility insurance, docking fees, marketing, and other miscellaneous services. WETA Direct Expenses are escalated at 2% annually.
- Fare revenues are calculated based on boardings and an average one-way fare of \$7.40 for Year 1 of service. Average daily boardings are multiplied by 253 weekdays operating days to get annual ridership. Average fare escalates at 3% annually per the FY 2015-2020 WETA Fare Program.
- 22b Program Subsidy required is calculated by subtracting Fare Revenue from Total Expenses.
- Farebox recovery ratio is the percentage of Total Expenses covered by fare revenues.
- Measure J West Contra Costa Ferry Program revenues collected to date available for operating subsidy.

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MEMORANDUM

TO: Board Members

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

SUBJECT: Overview of Onboard Ridership Survey

Recommendation

There is no recommendation associated with this informational item.

Background

In October 2014, WETA administered an onboard survey to riders asking a series of questions on travel patterns, rider demographics, rider attitudes, and rating of various services. The survey was conducted as a self-administered questionnaire distributed and collected onboard each of WETA's four ferry routes, similar to a previous onboard survey administered by WETA in 2011. For each service, the trips selected for surveying were scheduled to achieve a representative cross section of riders during all time periods, including weekday peak, weekday off peak, and weekends. In total, 2,310 surveys were completed and processed.

Discussion

Below is a summary of key initial findings from the 2014 onboard survey based on unweighted responses. A more detailed oral presentation of the survey results will be presented by staff at the March Board of Directors meeting, including weighted results and a comparison to previous 2011 survey results.

Reaching the Ferry

- About half of all riders (50%) drove to get to the ferry. This ranged by line from 36% of Harbor Bay ferry riders to 57% of South San Francisco ferry riders.
- With many riders coming from their homes in the surrounding development or nearby business park from work, Harbor Bay riders were most likely to have walked to reach the ferry (39%), while South San Francisco riders were the least likely (9%).
- South San Francisco riders were most likely to have biked to the ferry (21%), while Vallejo riders (3%) were least likely to have done so.

Trip Purpose and Fare Payment

- While nearly all riders on Harbor Bay and South San Francisco lines said their purpose for travel was work (97%), this was true for only 35% of Alameda/Oakland riders and 52% of Vallejo riders. Not surprisingly, 90% of weekday peak riders across all four ferry lines indicated they were traveling for work. (Note that both the Harbor Bay and South San Francisco lines do not offer weekend service.)
- Notably, Harbor Bay and South San Francisco also had the highest percentage of Clipper card usage – at 75% and 89%, respectively.

- Most riders across all four lines (81%) paid an adult fare. The Vallejo ferry had the highest percentage of passengers paying a senior fare (17%), while Harbor Bay had the lowest (2%).

Impact of Ferry Service

- All ferry services appear to be keeping a number of private vehicles off the roads. When asked what other type of transportation could have been used for the surveyed trip, 42% indicated they would drive alone, while another 16% said they would carpool/drive or ride with others.
- There appears to be room for growth, even among current riders. Among riders who said they were on their regular work or school commute, only 55% said they took the ferry five days per week.
- The ferry services appear to be attracting regular riders who are fairly new to the service. Among all respondents traveling as part of their work or school commute, 35% have been using the ferry less than one year.
- Ferry service may also attract riders who, while they have a choice in how they travel, would not readily choose other forms of public transit. When asked the main reasons why they ride the ferry, 55% of riders across all lines said it was to avoid dealing with parking/traffic, while 46% said it was to relax/reduce stress/enjoy a safer journey and 42% said it was because the quality of the ride was much better than BART/bus. Only 8% said they took the ferry because they do not have a car/don't drive, while only 9% said they did so to save money.

Satisfaction with Ferry Service

- Passengers were asked a number of questions about their satisfaction with the ferry service (both overall and as it pertains to various features). For each question, riders were asked to provide a rating from "5" (Very satisfied) to "1" (Very dissatisfied). When asked about their overall satisfaction, riders rated the ferry very highly, with 83% rating the service excellent or good (4 or 5 rating). This varied only slightly by line, from 80% excellent/good for Vallejo riders to 88% excellent/good for South San Francisco riders.
- Some of the top rated attributes included:
 - On-time performance of ferries (87%)
 - Ease of access and use (87%)
 - Helpfulness and courtesy of ferry crews (85%)
 - Terminal cleanliness (82%)
 - Availability of seats on ferry (82%)

Demographics

- Ferry riders systemwide are slightly more likely to be female (52%). However, on the South San Francisco ferry, there is a higher share of men (56%).
- About one-fourth of riders (26%) are adults under age 35.
- Only 5% of riders speak English less than very well. Among these riders, 15% speak Spanish in the home, while 10% speak Cantonese, 8% speak Mandarin, and 8% speak German.

Fiscal Impact

There is no fiscal impact associated with this item.

END