

Members of the Board

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

BOARD OF DIRECTORS' MEETING

January 8, 2015 at 1:00 p.m.

**San Francisco Bay Area
Water Emergency Transportation Authority
9 Pier, Suite 111; San Francisco**

The full agenda packet is available for download at 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 December 11, 2014
7. INFORMATIONAL PRESENTATION BY WIND + WING TECHNOLOGIES **Information**
8. APPROVE FY 2015/16 ADMINISTRATIVE SUPPORT PROFESSIONAL SERVICES CONTRACTS PLAN **Action**
9. FUTURE PROJECT AGREEMENTS WITH FERRY DEVELOPMENT PARTNERS **Information**
10. WETA 2015 SHORT RANGE TRANSIT AND STRATEGIC PLAN OVERVIEW **Information**
11. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

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.

Water Emergency Transportation Authority January 8, 2015 Meeting of the Board of Directors

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: January 8, 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 are currently being evaluated. Interviews are planned for December and the bidders that are found to be in the competitive range will be invited to submit Step 2 Complete Technical and Price Proposals, which will be due in January 2015.

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. The Harbor Bay Project is well underway. We received an exception from the City of Alameda's Noise Ordinance to perform work later in the evening the weekend of January 17 and 18, 2015 when final installation of the ramps will be done. .

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 waterside phase will construct a system of modular floats and piers, gangways, and over-the-water utilities. 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.

The Board of Directors awarded a design-build contract for the landside phase to West Bay Builders in August 2013 and work is well underway. 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 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. All required permits for the waterside construction phase of the project have been received. The Board of Directors awarded a design-build contract for the waterside construction phase to Dutra Construction in July 2014.

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 is expected in early December and float construction is anticipated to commence by mid-December 2014.

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.

Staff is working with BCDC, the US Army Corps of Engineers, and National Marine Fisheries Service (NMFS) to secure the remaining permits required for the project. Staff is also working with the City of Alameda to finalize terms of a lease agreement for the project site, which will be presented to the Board for consideration at a future meeting.

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. Upon request from the FTA, this project has been included in the Federal Infrastructure Projects Permitting Dashboard, an initiative of the Federal Transit Administration to expedite federal permitting processes for nationally or regionally significant projects.

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 has initiated discussions with the Port of San Francisco concerning a project agreement to develop the first phase of terminal expansion.

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 is also working with City of Richmond and West Contra Costa County Transportation Advisory Committee (WCCTAC) staff to develop a Project Agreement that defines project service levels and identifies capital and operating funding through a project funding plan.

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 Agreement (MOA) 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 MOA 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 Agreement 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 will partner with the 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 Agreement (MOA) 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 MOA for the Seaplane Lagoon service would be subject to future consideration by the WETA Board and the City of Alameda.

Warriors Arena/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.

OPERATIONS REPORT

The Monthly Operating Statistics Report for November 2014 is provided as Attachment A.

Attachment A

Monthly Operating Statistics Report November 2014

| | | | Alameda/ Oakland | Harbor Bay | South San Francisco | Vallejo* | Systemwide |
|-----------|--------------------------------|-------------------------------------|-------------------------------------|------------|------------------------|----------|------------|
| Ridership | vs. last month | Total Passengers November 2014 | 53,817 | 18,152 | 8,140 | 53,752 | 133,861 |
| | | Total Passengers October 2014 | 90,096 | 23,852 | 10,029 | 83,653 | 207,630 |
| | | Percent change | -40.27% | -23.90% | -18.84% | -35.74% | -35.53% |
| | vs. same month last year | Total Passengers November 2014 | 53,817 | 18,152 | 8,140 | 53,752 | 133,861 |
| | | Total Passengers November 2013 | 53,613 | 17,686 | 6,221 | 55,240 | 132,760 |
| | | Percent change | 0.38% | 2.63% | 30.85% | -2.69% | 0.83% |
| | vs. prior FY to date | Total Passengers Current FY To Date | 412,454 | 105,976 | 42,685 | 383,232 | 944,347 |
| | | Total Passengers Last FY To Date ** | 421,004 | 110,391 | 36,115 | 377,279 | 944,789 |
| | | Percent change | -2.03% | -4.00% | 18.19% | 1.58% | -0.05% |
| | | | Avg Weekday Ridership November 2014 | 1,937 | 864 | 388 | 2,189 |
| Ops Stats | Passengers Per Hour | | 137 | 168 | 60 | 133 | 129 |
| | Revenue Hours | | 392 | 108 | 135 | 405 | 1,040 |
| | Revenue Miles | | 4,717 | 2,435 | 2,095 | 10,958 | 20,205 |
| Fuel | Fuel Used (gallons) | | 28,103 | 10,869 | 14,095 | 90,436 | 143,503 |
| | Avg Cost per gallon | | \$2.81 | \$2.81 | \$2.81 | \$2.75 | \$2.80 |

* Vallejo ridership includes ferry + 4186 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 Five Months
Ending November 30, 2014**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2014/15 Financial Statements for five months ending November 30, 2014.

Operating Budget vs. Actual

| | Prior Actual | Current Budget | Current Actual |
|---------------------------------------|-------------------|-------------------|-------------------|
| Revenues - Year To Date: | | | |
| Fare Revenue | 6,163,794 | 6,080,472 | 6,190,400 |
| Local Bridge Toll Revenue | 5,686,015 | 7,813,060 | 6,375,077 |
| Other Revenue | 847 | - | 500 |
| Total Operating Revenues | 11,850,656 | 13,893,532 | 12,565,977 |
| Expenses - Year To Date: | | | |
| Planning & Administration | 804,005 | 1,257,534 | 796,035 |
| Ferry Services | 11,046,650 | 12,635,998 | 11,769,943 |
| Total Operatings Expenses | 11,850,655 | 13,893,532 | 12,565,977 |
| System-Wide Farebox Recovery % | 56% | 48% | 53% |

Capital Actual and % of Total Budget

| | YTD Actual | % of FY 2014/15 Budget |
|-------------------------------|------------------|---------------------------|
| Revenues: | | |
| Federal Funds | 1,534,503 | 8.76% |
| State Funds | 5,108,336 | 23.30% |
| Bridge Toll Revenues | 177,864 | 3.09% |
| Other Local Funds | 87,703 | 2.36% |
| Total Capital Revenues | 6,908,406 | 14.13% |
| Expenses: | | |
| Total Capital Expenses | 6,908,406 | 14.13% |

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 Five Months Ending 11/30/2014

% of Year Elapsed 41.9%

| | Current Month | Year - To - Date | | | Total | |
|--|------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| | | FY2013/14 Actual | FY 2014/15 Budget | FY 2014/15 Actual | FY 2014/15 Budget | % of Budget |
| OPERATING EXPENSES | | | | | | |
| <u>PLANNING & GENERAL ADMIN:</u> | | | | | | |
| Wages and Fringe Benefits | 101,288 | 466,648 | 604,036 | 494,538 | 1,441,000 | 34.3% |
| Services | 56,892 | 276,807 | 679,068 | 254,147 | 1,620,000 | 15.7% |
| Materials and Supplies | 578 | 6,062 | 15,510 | 3,597 | 37,000 | 9.7% |
| Utilities | 1,402 | 4,077 | 8,803 | 3,708 | 21,000 | 17.7% |
| Insurance | - | 16,370 | 7,964 | 18,335 | 19,000 | 96.5% |
| Miscellaneous | 9,737 | 39,319 | 46,110 | 28,197 | 110,000 | 25.6% |
| Leases and Rentals | 23,686 | 111,500 | 119,885 | 115,508 | 286,000 | 40.4% |
| Admin Overhead Expense Transfer | (28,838) | (116,779) | (223,841) | (121,995) | (534,000) | 22.8% |
| Sub-Total Planning & Gen Admin | 164,746 | 804,005 | 1,257,534 | 796,035 | 3,000,000 | 26.5% |
| <u>FERRY OPERATIONS:</u> | | | | | | |
| <u>Harbor Bay FerryService</u> | | | | | | |
| Purchased Transportation | 106,085 | 688,885 | 734,610 | 549,824 | 1,752,500 | 31.4% |
| Fuel - Diesel & Urea | 30,578 | 220,661 | 247,986 | 179,960 | 591,600 | 30.4% |
| Other Direct Operating Expenses | 26,740 | 134,782 | 265,633 | 147,615 | 633,700 | 23.3% |
| Admin Overhead Expense Transfer | 5,891 | 25,968 | 49,044 | 23,633 | 117,000 | 20.2% |
| Sub-Total Harbor Bay | 169,294 | 1,070,295 | 1,297,272 | 901,031 | 3,094,800 | 29.1% |
| Farebox Recovery ¹ | 43% | 47% | 40% | 52% | 40% | |
| <u>Alameda/Oakland Ferry Service</u> | | | | | | |
| Purchased Transportation | 334,685 | 1,944,078 | 1,857,168 | 2,413,913 | 4,430,500 | 54.5% |
| Fuel - Diesel & Urea | 79,058 | 638,420 | 774,264 | 607,474 | 1,847,100 | 32.9% |
| Other Direct Operating Expenses | 51,835 | 358,297 | 518,523 | 287,538 | 1,237,000 | 23.2% |
| Admin Overhead Expense Transfer | 11,180 | 43,778 | 87,608 | 46,817 | 209,000 | 22.4% |
| Sub-Total Alameda/Oakland | 476,758 | 2,984,573 | 3,237,564 | 3,355,742 | 7,723,600 | 43.4% |
| Farebox Recovery ¹ | 42% | 66% | 56% | 56% | 56% | |
| <u>Vallejo FerryService</u> | | | | | | |
| Purchased Transportation | 708,111 | 2,990,643 | 3,136,248 | 3,636,407 | 7,481,900 | 48.6% |
| Fuel - Diesel & Urea | 248,399 | 2,236,109 | 2,672,260 | 2,045,057 | 6,375,000 | 32.1% |
| Other Direct Operating Expenses | 92,063 | 441,836 | 666,367 | 400,251 | 1,589,700 | 25.2% |
| Admin Overhead Expense Transfer | 4,910 | 20,948 | 30,600 | 22,674 | 73,000 | 31.1% |
| Sub-Total Vallejo | 1,053,483 | 5,689,536 | 6,505,476 | 6,104,388 | 15,519,600 | 39.3% |
| Farebox Recovery | 53% | 61% | 54% | 58% | 54% | |
| <u>South San Francisco FerryService</u> | | | | | | |
| Purchased Transportation | 198,107 | 858,367 | 911,209 | 946,945 | 2,173,800 | 43.6% |
| Fuel - Diesel & Urea | 39,652 | 272,724 | 339,115 | 256,079 | 809,000 | 31.7% |
| Other Direct Operating Expenses | 35,216 | 145,069 | 288,772 | 176,886 | 688,900 | 25.7% |
| Admin Overhead Expense Transfer | 6,857 | 26,085 | 56,589 | 28,871 | 135,000 | 21.4% |
| Sub-Total South San Francisco | 279,832 | 1,302,246 | 1,595,685 | 1,408,781 | 3,806,700 | 37.0% |
| Farebox Recovery | 19% | 18% | 14% | 20% | 14% | |
| Total Operating Expenses | 2,144,112 | 11,850,655 | 13,893,532 | 12,565,977 | 33,144,700 | 37.9% |
| OPERATING REVENUES | | | | | | |
| Fare Revenue | 884,009 | 6,163,794 | 6,080,472 | 6,190,400 | 14,505,700 | 42.7% |
| Local - Bridge Toll | 1,260,103 | 5,686,015 | 7,813,060 | 6,375,077 | 18,639,000 | 34.2% |
| Local - Other Revenue | - | 847 | - | 500 | - | 0% |
| Total Operating Revenues | 2,144,112 | 11,850,656 | 13,893,532 | 12,565,977 | 33,144,700 | 37.9% |

¹ As part of the Fare Program approved by the Board in September, the sale of ticket books and monthly passes for the Alameda services were discontinued in November. As a result, total fare revenues on the Harbor Bay and Alameda/Oakland ferry services decreased 11% and 8% respectively when compared to November 2013.

San Francisco Bay Area Water Emergency Transportation Authority
FY 2014/15 Statement of Revenues and Expenses
For Five Months Ending 11/30/2014

| Project Description | Current Month | Project Budget | Prior Year Actual | FY 2014/15 Budget | FY 2014/15 Actual | Future Year | % of Total Project Budget |
|--|------------------|--------------------|-------------------|-------------------|-------------------|-------------------|---------------------------|
| CAPITAL EXPENSES | | | | | | | |
| <u>FACILITIES:</u> | | | | | | | |
| Maintenance and Operations Facilities | | | | | | | |
| North Bay Operations & Maintenance Facility | 1,345,709 | 30,196,000 | 5,132,061 | 19,130,939 | 5,037,895 | 5,933,000 | 34% |
| Central Bay Operations & Maintenance Facility | 4,824 | 38,000,000 | 1,228,371 | 5,750,629 | 111,459 | 31,021,000 | 4% |
| Float Rehabilitation | | | | | | | |
| Regional Spare Float Replacement | 37,522 | 3,862,000 | 58,976 | 2,965,024 | 508,234 | 838,000 | 15% |
| Gangway, Pier & Terminal Improvement | | | | | | | |
| Clipper Site preparation - Vallejo | 4,880 | 300,000 | 148,695 | 151,305 | 9,594 | - | 53% |
| East Bay Ferry Terminal Refurbishment | 136,318 | 2,595,400 | 341,509 | 2,253,891 | 407,289 | - | 29% |
| Electronic Bicycle Lockers | - | 79,500 | - | 79,500 | - | - | 0% |
| Channel Dredging - Vallejo | - | 1,200,000 | - | 75,000 | 4,444 | 1,125,000 | 0% |
| <u>FERRY VESSELS:</u> | | | | | | | |
| Major Component Rehabilitation / Replacement | | | | | | | |
| Vessel Engine Overhaul - Gemini Class Vessels | - | 1,320,000 | - | 1,320,000 | - | - | 0% |
| 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 | 19,525 | 5,260,000 | - | 1,010,000 | 22,806 | 4,250,000 | 0% |
| Vessel Expansion/Replacement | | | | | | | |
| Purchase Replacement Vessel - Express II & Encinal | 28,540 | 33,500,000 | 50,568 | 9,949,432 | 50,773 | 23,500,000 | 0% |
| Purchase Replacement Vessel - Vallejo | - | 20,000,000 | - | 200,000 | - | 19,800,000 | 0% |
| <u>CAPITAL EQUIPMENT / OTHER:</u> | | | | | | | |
| Purchase 18-Tone Crane Truck | - | 175,000 | - | 175,000 | - | - | 0% |
| Purchase Work Skiff | 176 | 100,000 | - | 100,000 | 176 | - | 0% |
| <u>SERVICE EXPANSION:</u> | | | | | | | |
| Future Expansion Service Studies | | | | | | | |
| Berkeley Terminal - Environ/Concept Design | 327 | 2,335,000 | 2,183,016 | 151,984 | 2,617 | - | 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 | - | 3,300,000 | 2,581,846 | 718,154 | 73,227 | - | 80% |
| Terminal/Berthing Expansion Construction | | | | | | | |
| SSF Terminal Oyster Mitigation Study | - | 275,000 | 83,330 | 191,670 | 29,854 | - | 41% |
| Downtown Ferry Terminal Expansion - Preliminary Design | 22,729 | 3,745,000 | - | 1,872,500 | 22,729 | 1,872,500 | 1% |
| Richmond Ferry Terminal | 6,217 | 1,862,500 | 559,294 | 1,040,706 | 57,776 | 262,500 | 33% |
| Total Capital Expenses | 1,606,767 | 156,945,400 | 18,116,723 | 48,902,777 | 6,908,406 | 89,925,900 | |
| CAPITAL REVENUES | | | | | | | |
| Federal Funds | 299,405 | 64,124,919 | 6,622,379 | 17,515,330 | 1,534,503 | 38,421,985 | 13% |
| State Funds | 1,243,174 | 50,330,926 | 8,146,559 | 21,924,882 | 5,108,336 | 39,935,042 | 26% |
| Local - Bridge Toll | 25,458 | 36,457,071 | 2,456,805 | 5,753,455 | 177,864 | 10,268,872 | 7% |
| Local - Alameda Sales Tax Measure B | 38,729 | 4,682,484 | 890,980 | 3,659,111 | 87,703 | - | 21% |
| 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 | 1,606,767 | 156,945,400 | 18,116,723 | 48,902,777 | 6,908,406 | 89,925,900 | |

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

(December 11, 2014)

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 1:05 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 reported that she had been engaged in several outreach meetings. She noted a meeting she participated in along with Executive Director Nina Rannells with the Bay Area Council's Transportation Committee stating that it had been a good opportunity to engage with a key constituent involved in the founding of WTA and WETA and to learn the concerns of the commuting workforce served by WETA.

Chair Breckenridge then reported on a meeting with the director and key staff of CalOES, noting many opportunities for WETA to engage with them regarding WETA's emergency response role and as a support resource. She also noted a meeting with Ms. Rannells and Masters, Mates & Pilots, adding that their international representative had been present as well. Ms. Breckenridge closed her report stating that it was clear there was considerable interest in WETA and open doors on all fronts.

3. REPORT OF DIRECTORS

Director Donovan conveyed an appreciation to WETA staff, commending them for their work over the last year and noting that he appreciated the quality of work on WETA's various projects and on the reports delivered to the Board.

4. REPORTS OF STAFF

Executive Director Nina Rannells referred the Board to her written report and offered to respond to any questions. She also noted two additional items, firstly, that all services except for Vallejo had been cancelled for that morning due to severe weather, and secondly, that the Alameda Main Street terminal would be closed for the weekend for a scheduled capital project to move the float and gangway. She said that it was not anticipated that weather issues would delay the Alameda project.

Chair Breckenridge asked for details regarding the meeting with San Francisco's Lifelines Council as noted on page five of the Executive Director's Report. Ms. Rannells reported that it was a group composed of representatives from public agencies and a variety of other entities who are interested in looking at ways to respond to major emergencies in San Francisco and the greater Bay Area. She noted that there were many subcommittees focused on delivering specialized plans, such as one devoted to Market Street which considered not only access for first responders but also for utility personnel. Chair Breckenridge summarized that it was basically the Department of Emergency Management in a city-wide look at how to bucket things into both short-term and sustainable recovery efforts.

Director Donovan noted that they appeared to be focused on the City of San Francisco but that WETA's role was regional. He asked if they were reaching out to other areas around the Bay. Chair Breckenridge replied that that particular group was looking at the City of San Francisco but that DEM's larger engagement effort acknowledged that there would be competition for resources around the Bay.

Ms. Rannells noted that there was a guest speaker at the meeting from the City of Napa fire department who spoke on the response efforts to the recent earthquake. She also said that there was a Lifelines group focused on regional response which seemed to be the appropriate group for WETA to engage.

Chair Breckenridge also asked for details regarding the kick-off meeting of the Bay Area Core Capacity Transit Study Executive Team. Ms. Rannells responded that it was very much a kick-off meeting and that the project had been inspired by a call for TIGER grants and that it was looking primarily at capacity issues in the Bay Bridge corridor and downtown San Francisco. She added that she saw it as a lead-in to a discussion regarding projects for future bridge toll funds.

Director Donovan asked for a report on the Oakland terminal closure on November 15 and 16. Manager of Public Information and Marketing Ernest Sanchez reported that work had gone smoothly and with a minimum of public disruption as a result of public outreach before the closure. He added that he anticipated that the upcoming weekend Alameda closure would proceed in a similar fashion. Ms. Rannells said that it would be good to have this work completed.

Chair Breckenridge commented on the legislative report, noting that until the lay of the land had been assessed with the new Congress that any discussion would be supposition.

Director Intintoli asked if Therese McMillan had been confirmed to lead the FTA. WETA counsel Stanley Taylor III of Nossaman LLP said that action had not yet been taken on the confirmation following the nomination process but that no issues were anticipated. Chair Breckenridge said she was always encouraged to see a West Coast perspective in DC.

5. CONSENT CALENDAR

Director Donovan made a motion to approve the consent calendar which included the Board of Directors meeting minutes of November 6, 2014.

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

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

6. ACCEPT THE INDEPENDENT AUDITOR'S ANNUAL FINANCIAL REPORTS FOR THE FISCAL YEAR 2013/14

Ms. Rannells presented this item recommending that the Board accept the Independent Auditor's Annual Financial Reports for the year ending June 30, 2014, as submitted by Maze & Associates, including The Memorandum on Internal Control, Basic Financial Statements, Single Audit Report and Measure B Compliance Report. Ms. Rannells reminded the Board that WETA contracted with ABAG to provide accounting services and that ABAG in turn hired Maze & Associates to provide auditing services.

Ms. Rannells introduced Timothy Krisch and Cody Smith of Maze & Associates. Mr. Krisch presented the report to the Board. Mr. Krisch thanked Ms. Rannells and Lynne Yu, Manager of Finance and Grants, for their assistance during the audit process, noting that the work had gone very smoothly.

Director Intintoli asked if the comment on page 10 of the audit beginning “We did not express an opinion...” was a cause for concern. Mr. Krisch replied absolutely not, noting that the auditor does not express an opinion on fluctuations.

Director Intintoli then asked if there was a list of what WETA could invest Proposition 1B funds in before they are utilized. Ms. Rannells responded that the last paragraph on page 25 provides a matrix of the types of investments WETA is allowed to make, but noted that investment of Proposition 1B funds were more limited and driven by guidance from CalEMA, the administering agency.

Director Donovan asked if the pension plan was under CalPERS. Mr. Krisch confirmed that this was correct. Director Intintoli asked if it was true that the CalPERS plan under which people are hired changed dramatically after January 2013, and if it would be the same for anyone hired after that date at WETA. Ms. Rannells said that was indeed the case for new employees who were not hired from another PERS covered entity.

Chair Breckenridge asked about WETA’s unfunded pension liability and asked if this was simply looked at as an incremental business expense that would be spread out over time until the debt was cleared. Ms. Yu confirmed that this was correct and further indicated that WETA has the opportunity to pre-pay the unfunded liability once CalPERS identifies WETA’s share. Mr. Krisch said CalPERS can identify the amount but that there was a timeline and that it could take up to a year from now.

Ms. Rannells said that Ms. Yu was already looking at ways for WETA to cover its unfunded liability with the hope to do this in the current fiscal year with the implementation of the new GASB requirement. Ms. Yu noted that she understood the number for WETA’s unfunded liability to be modest, at approximately \$49,000.

Chair Breckenridge asked for confirmation that the requirements for reporting pension liabilities would fall to CalPERS and not WETA. Mr. Krisch said that once GASB 68 was implemented that the figures in WETA’s annual financial report would only reflect WETA’s responsibility and not the full CalPERS plan liability as it did currently.

Director Donovan asked how long Maze & Associates had been performing WETA’s audit. Mr. Krisch replied that it had been since inception. Ms. Yu added that as WETA’s fiscal agent, ABAG had gone out to bid the prior year and Maze had been re-awarded the contract. Mr. Krisch noted that Maze & Associates was uniquely qualified as they also performed audits on the cities of Alameda and Vallejo and were familiar with the ferry system.

Director Intintoli made a motion to accept the auditor’s report. Director Donovan seconded the motion and the item carried unanimously.

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

7. OVERVIEW OF AGENCY ENABLING LEGISLATION AND ADMINISTRATIVE CODE

Mr. Taylor introduced Danielle Gensch of Nossaman LLP who provided an informational overview of WETA’s enabling legislation and Administrative Code and provided Board members with a Public Officials Handbook containing background information.

Chair Breckenridge asked about competitive bids in a situation such as an engine taking a hit and the balance between fair and open competition and the need for urgency. Ms. Gensch replied that in some situations there may be an on-call contract for such service. Ms. Rannells added that engines typically required warranty repair but that there had been contracts awarded in emergency situations such as

repair of the Harbor Bay float which had issues as the result of a storm when WETA first took over the service. Mr. Taylor added that everything starts from a default position of being competitively procured and that the emergency provision is used cautiously. Ms. Rannells noted that Blue & Gold Fleet may also take care of some urgent situations as the day-to-day contract operator. She added that each project may have additional procurement requirements depending on the source of funding.

Mr. Taylor noted that Chair Breckenridge has asked about following the Federal model of a contracting officer that authorizes all procurements and awards, stating that the California governments utilize a different model that typically gives the agency General Manager some level of authority to award contracts, which is up to \$100,000 in the case of WETA per the Administrative Code, and has the Board award contracts for amounts in excess of \$100,000. Chair Breckenridge said that it was very different from what she was accustomed to on the Federal side, but noted that it was consistent with California practice and existed for transparency and to serve the public.

Chair Breckenridge asked if anything was substantive coming up for review by the Board. Ms. Gensch said that the HR guide would be coming up for review but that it only applied to employees and not the Board.

Ms. Rannells added that generally WETA contracts had a project manager who would develop a work scope with a boilerplate agreement and that they typically would be reviewed through the Nossaman office.

Mr. Taylor invited the Board to contact Ms. Gensch or him with any questions. Chair Breckenridge thanked Ms. Gensch and Mr. Taylor for the clear breakdown of the process.

8. OVERVIEW OF AGENCY FUNDING

Ms. Rannells presented this informational overview of agency funding.

Chair Breckenridge said that she appreciated the clarity and thoroughness of the report.

Director Intintoli commented that information about the fares on the Vallejo service should be clearly noted so that it put the higher operational costs of the service into perspective. Ms. Rannells said that she had prepared some additional documents that demonstrate this point.

Ms. Rannells noted that although WETA's enabling legislation greatly emphasized WETA's emergency response role, the budget and the SRTP clarifies that WETA is largely funded as a public transit operation, and that when WETA transitioned to take over Vallejo and Alameda services, it received the public transit funds available to support continued operation of these services and that this is what staff spends the majority of its time on.. Chair Breckinridge added that many did not understand the complexity of WETA's work scope.

Director Intintoli asked if there was anything that could be done regarding the "use it or lose it" requirement for RM2 funds. Ms. Rannells responded that these were MTC's rules, and not necessarily in the RM2 legislation. She noted another issue with RM2 is that it does not escalate from year to year, leaving no room to cover cost escalation over time for existing services. She indicated that this is why it is so important for WETA to be included in any new conversations regarding future bridge toll funds for transit.

Chair Breckenridge asked if details were available in MTC's financials regarding the RM2 funding that is returned. Ms. Rannells said that it was very difficult to get this level of response from MTC, saying

that she had asked MTC staff various times what happened to RM2 funding WETA had been required to return but had never received a response.

Chair Breckenridge asked what could be done to make MTC understand what kind of reserve WETA needed to have in place to be adequately funded. Mr. Taylor said that this was exactly why WETA needed to be involved in the discussion of a future bridge toll funds, noting that it was likely to be on the ballot as soon as 2016. Chair Breckenridge emphasized the need to have a rainy day fund before a catastrophic operation scenario impacted day-to-day operations, noting that WETA, as a ferry operator, had compliance requirements that were unique to water transit.

Ms. Rannells agreed and said that the conversation was taking place at many levels. She added that it was important that staff and Board work together to identify what this would look like. Ms. Rannells added that it was a risk to the agency that WETA does not have direct control of any of its funding sources, either for operations or capital, as all funds are subject to allocation by external agencies.

Director Intintoli noted that it was always easier to secure capital funding but difficult to obtain sustainable funding for operations and that it was important to secure operations funding for expansion service that would not impact existing services and referenced WETA's experience with building the South San Francisco service. He stated that more operational funds needed to be identified before moving forward with the political pressures to expand. Ms. Rannells agreed that more operational funds were needed.

Chair Breckenridge expressed a more expanded definition of operational money recognizing the need to continue operations but also the money required for emergency response which includes participating in drills and having response plans.

Ms. Rannells noted that when the E was added to the WTA name that MTC staff had indicated that funds received from MTC were not to be used for emergency response but from a practical standpoint stated that all transit agencies were expected to help move people in response to a catastrophic event.

Director Intintoli pointed out that WETA, through its enabling legislation, was unique in its responsibility by having to coordinate emergency response without a specific funding source. Chair Breckenridge suggested that emergency response be added to the budget. She further explained that the operating budget needs to be clear and comprehensive so that all stakeholders understand the realities of WETA's dual roles and limitations on funding.

Director Donovan asked for clarification on the emergency response budget. Chair Breckenridge stated that there were costs on several levels which include planning functions and associated costs of putting the plan together, contractors, staff time and responsibilities of exercising the plan hands on and linking to the national and state response plans. Ms. Rannells added that WETA participated with Coast Guard through Blue & Gold, as our operating agent, but with no emergency response-specific operating funding source.

Director Donovan suggested setting aside a certain percent of the budget in the future. Director Intintoli recommended talking to MTC about the possibility of applying "use it or lose it" funds for emergency response. Director Breckenridge stated that she thought that WETA could receive support from Bay Area Council and CalOES. Director Intintoli asked that these groups join WETA in its efforts to obtain funding.

Ms. Rannells recognized the major gap in funding with the added responsibility. Chair Breckenridge added that part of operations is staffing and if WETA has a role, there is a need to have someone who

has the expertise in this area that enables WETA to meet responsibility which will be discussed when the plan is reviewed.

Chair Breckenridge questioned whether WETA would be able to manage the State's needs of WETA from an emergency response coordination perspective while continuing to keep daily operations going in an emergency setup and wanted to understand the risk and vulnerabilities and long term financial needs.

Ms. Rannells noted for the Board that operating funds RM 1 and 2 do not have a sunset clause, but that they also do not escalate over time and that, as administered by MTC, are for regular transit operations only.

Ms. Rannells continued her presentation on the capital program broken out by facilities, vessels, general equipment, and service expansion; a majority of which is associated with what is needed to maintain and sustain what exist today.

Director Donovan asked about current maintenance work. Ms. Rannells replied that most was handled by Blue & Gold under the current operations and maintenance contract. She explained that the new facilities being designed and built allowed WETA to own and control the maintenance facilities for its vessels independent of the contract operator, which will help ensure system sustainability over time, noting that space on the waterfront was difficult to obtain for maritime operations.

Ms. Rannells stated that WETA's capital program for rehabilitation and replacement projects are included in the SRTP/ten year plan and that it's important to plan ahead for these projects because WETA is generally required to submit applications for funds two to four years in advance of project construction. The type of grant funds used for each project is dependent on the specific type of project and its eligibility for funding.

Ms. Rannells confirmed Director Intintoli's statement that no federal operating funds existed. She noted, though, that federal funds administered by MTC play a large role in funding WETA's rehabilitation and replacement needs. These funds come through MTC's Capital Projects Priority Process. She noted that WETA has also received over \$30 million federal ferry boat discretionary funds and federal transit ferry grant funds over time, secured with the help of WETA's federal lobbyist Peter Friedmann and the support of our federal legislative delegation.

Director Intintoli asked about the farebox recovery for buses, noting that the farebox recovery for ferries was significantly more than many other transit systems. Ms. Rannells noted that MTC's requirement for farebox recovery for ferry services to receive bridge toll funds is greater than any other system, including BART. She indicated that the South San Francisco service is nearing MTC's three-year mark to reach its farebox recovery requirement of 40%, and that staff is working with MTC staff to encourage their continued commitment to fund this service with RM2 bridge toll funds approved by voters for ferries. She further stated that, in her opinion, three years is not a realistic timeframe under which to fully establish a new ferry service.

Ms. Rannells stated that staff has developed a project agreement template for use in developing agreements with interested parties in developing new and expansion services. This agreement seeks to recognize that operating funds are an important component of expansion services, and to establish a basic project outline and roles and responsibilities of interested parties and partners. She noted the importance of identifying up front how WETA would work with local agencies and entities to partner to develop, fund and support new services and allow time for growth. She further indicated that several project specific agreements were under development, as noted in her monthly Executive Director's

Report, and that staff would be bringing forward a discussion regarding these agreements at future meetings.

Ms. Rannells added that Proposition 1B promises \$250 million over ten years with four years remaining. Ms. Yu stated that WETA is allowed to submit \$25 million worth of programming per year, subject to annual state budget appropriation and CalOES program guidance, and that CalOES has two years from approval of each grant year program to sell bonds and disburse funds to WETA.

Chair Breckenridge asked about Treasure Island service, and if the City of San Francisco/developer would be funding the vessels for the service. Manager of Planning and Development Kevin Connolly said that their funding assumption had been that they would lease a vessel for the service, which WETA staff had cautioned would likely prove problematic, but that they have come to the conclusion that that scenario was unlikely. Ms. Rannells noted that staff was working with them to help develop a full picture of the capital and operating and capital needs, and that they also needed to consider the cost of utilization of a maintenance/mooring facility and a backup boat. Director Donovan asked if it was possible for WETA to lease a boat to the Treasure Island service. Ms. Rannells noted that staff would explore all options for working to support delivery of this service.

9. RECESS INTO CLOSED SESSION AND REPORT OF ACTIVITY IN CLOSED SESSION

Chair Breckenridge called the meeting into closed session at 3:05 p.m. Upon reopening of the meeting at 3:15 p.m. she reported the Board considered a claim that was a matter of record and that the Board rejected the claim on a vote of 3-0.

10. PUBLIC COMMENT

Jerry Bellows of the Maritime Administration thanked WETA staff for the financial overview and added that he felt WETA was a great, dynamic organization.

Chair Breckenridge thanked staff for the work and wished all happy and safe holidays.

11. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:18 p.m.

Respectfully Submitted,

Board Secretary

AGENDA ITEM 7
INFORMATIONAL PRESENTATION

**INFORMATIONAL PRESENTATION BY
WIND + WING TECHNOLOGIES**

NO MATERIALS

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director

SUBJECT: Approve FY 2015/16 Administrative Support Professional Services Contracts Plan

Recommendation

Approve the proposed Administrative Support Professional Services Contracts Plan and authorize the Executive Director to enter into negotiations with firms to extend these agreements through June 30, 2016 and bring these contracts back for Board approval prior to July 1, 2015.

Background/Discussion

WETA contracts with a number of professional services consultant firms to assist staff in providing a range of general administrative services including, but not limited to, general counsel services, legislative advocacy, marine engineering and system oversight, outreach, and administrative support services. Staff has begun the review of these agreements in preparation for developing the FY 2015/16 budget, and is recommending renewal of several contracts for services through FY 2015/16. Contracts recommended for continuation under this Administrative Support Professional Services Contracts Plan will be fully reviewed and negotiated with each consultant and brought back to the Board for consideration and approval prior to the beginning of the new fiscal year, or contract expiration date, as required. Early review of these contracts and approval to negotiate amendments will ensure that staff can build an accurate budget and will allow time for negotiations for contract extension or to re-procure any necessary services prior to the expiration of contracts.

Administrative Support Professional Services Contracts Plan

The background and recommendation for each of the administration support professional services contracts are discussed below.

1. **General Counsel Services** – General counsel services include legal support for general agency operation, governance issues, contracts, legislation, procurement, policy development, employment law, insurance requirements, lease and other property transactions, advice and oversight of issues related to capital projects, and special subjects of interest or concern as needed. Nossaman LLP was awarded a contract in 2004 to provide these services. The value of the current contract, which covers the period July 1, 2014 to June 30, 2015, is \$550,000 billed monthly on a time and materials basis.

Nossaman has served the Authority's interests well in a wide variety of areas over the years and has developed a thorough understanding of the agency and our specific issues and needs. During FY 2014/2015 Nossaman has provided general counsel oversight services in a number of areas as well as legal support for major capital projects in FY 2014/2015, such as the Authority's two maintenance and operations facility projects, east

bay ferry terminal improvements, San Francisco berthing expansion and the procurement of new vessels.

Staff recommends continuation of the general counsel services contract with Nossaman LLP in FY 2015/16, and will review the anticipated upcoming work in order to develop a proposed not to exceed contract amount for FY 2015/16 services.

2. Federal Legislative Representation – Federal legislative representation services include expanding, maintaining, and coordinating San Francisco Bay/California Congressional Delegation advocacy for WETA and working to ensure continued active support for WETA by the Washington State Congressional Delegation; working to pursue grants and seek congressional support from the Ferry Boat Discretionary Fund; participating in the Public Ferry Coalition to gain increased funding and other support for public ferry service throughout the country; working to gain a revenue stream to WETA in any new federal ferry legislation; assuring WETA's interests are well-served in any ferry formula grant program; regularly informing WETA Board and staff of all relevant legislative and regulatory developments, and lobbying activities in Washington DC. Lindsay Hart, LLP (LH) was awarded a contract in 2001 to provide these services. The value of the current contract, which covers the period from July 1, 2014 to June 30, 2015, is \$125,000 billed monthly on a fixed fee and incidental cost basis.

Over the years, LH has been successful at securing \$38 million in federal funding commitments toward WETA projects and has worked to increase overall federal transportation funding for ferry programs. During FY 2014/15 Peter Friedmann and his staff, on behalf of LH, continued their congressional outreach efforts on WETA's behalf, aggressively worked to garner support for WETA's application for Ferry Boat Discretionary funds, participated in Public Ferry Coalition activities, continued efforts to develop support for a proposal to change the formula for FHWA funds to provide a higher level of funding for passenger-only ferry systems and developed a summary of WETA federal lobbying activities from 2001-2014 as well as a plan for federal lobbying activities in future years.

Staff recommends the continued use of Lindsay Hart, LLP in FY 2015/16 to represent WETA's federal legislative needs and will work to extend the contract on terms consistent with the current year.

3. State Legislative Representation – State legislative advocacy services include, monitoring state legislation and regulations affecting WETA, periodically updating the Board of Directors, arranging meetings, as necessary, with key policymakers, staff, and others in state government to address items of interest or concern, generally working to preserve and expand applicable capital and operating funds and programs for ferries and developing legislation as needed. Broad & Gusman, LLP was originally awarded a contract in 2004 to provide these services. On June 17, 2010, as the result of a new competitive RFQ process, the Board approved a new agreement with Broad & Gusman to represent WETA through June 30, 2011, with an option to extend the contract on an annual basis. The value of the current contract, which covers the period from July 1, 2014 to June 30, 2015, is \$66,000, billed on a fixed fee basis.

Broad & Gusman is familiar with WETA's program and has been successful in helping monitor legislative activity in Sacramento, schedule meetings with legislative representatives and staff, successfully secure legislation addressing agency needs,

secure funding and provide various forms of legislative support as the need has arisen over the years. Earlier this year, Broad & Gusman was extremely effective in working with staff from the California State Transportation Agency (CalSTA) to ensure that ferries are included as an eligible form of transit for future California Cap and Trade funds.

Staff recommends the continued use of Broad & Gusman in FY 2015/16 to represent WETA's state legislative needs and will work to extend the contract on terms consistent with the current year.

4. Strategic Consulting Services – Strategic consulting services complement existing federal and state lobbying services and fill the need for advocacy at the local and regional level to support the agency's services, plans and emergency response requirements. Perata Consulting Services was awarded a contract on March 31, 2014 to provide these services. The value of the current (first year) contract, which covers the period April 1, 2014 through March 31, 2015, is \$90,000 billed monthly on a fixed fee basis.

As several counties in the region are planning for transportation sales tax increases and discussions regarding another bridge toll increase begin, the need for advocacy at the local and regional level is very important to ensure WETA is included in expenditure plans for future sales tax or bridge toll initiative. Don Perata, of Perata Consulting, has been helpful in recent months in initiating and raising the level of conversation with various stakeholders and interested parties regarding expanding ferry services and future funding for these services.

Staff recommends the continued use of Perata Consulting Services in FY 2015/16 to represent WETA's strategic consulting needs and will work to extend the contract through June 30, 2016, on terms consistent with the first year contract.

5. Marine Oversight and Support Services – Marine oversight and support services include general ferry service oversight, ferry operations contract monitoring, vessel and engine maintenance oversight, program planning, capital program and project oversight, and reporting. Fast Ferry Management was awarded a contract in 2007 by the City of Vallejo for these services. This contract was transferred to WETA in 2012 as a part of the Vallejo ferry system transfer. The value of the current contract, which covers the period July 1, 2014 through June 30, 2015, is not to exceed \$260,000, billed on a time and materials basis.

Over the years, Fast Ferry Management, Inc. has developed extensive knowledge of all aspects of the system operation and maintenance activities, system facilities and assets, service history, customers, and key staff at partner agencies such as the City of Vallejo, Lennar Mare Island, and SolTrans. During FY 2014/15, Fast Ferry Management served as the primary liaison with Blue & Gold Fleet related to the management of Vallejo ferry service, assisted WETA with planning for the North Bay and Central Bay Operations and Maintenance facilities, administration and oversight of the Solano Engine Overhaul project, completion of the warranty management for the Intintoli and Mare Island Repower project, new vessel planning and procurement processes, and planning and project management for the 2015 Vallejo maintenance dredging project.

Staff recommends continuation of the marine oversight and support services contract with Fast Ferry Management in FY 2015/16 and will work to extend the contract on terms consistent with the current year.

6. Accounting Support Services – Accounting support services include fiscal services to process and pay invoices, keep WETA’s accounting records, provide advice on financial accounting matters, provide for required independent financial audit work, use of an accounting software system, independent review of invoices, and check processing. The Association of Bay Area Governments was awarded a contract in 2001 to provide these services. The value of the current contract, which covers the period July 1, 2014 to June 30, 2015, is \$110,000, billed on a time and materials basis.

ABAG has been a major partner in ensuring adequate internal control over WETA’s financial reporting. Over the past several years, WETA has undergone significant changes in its operations, from being a planning agency to a transit operator, that have had a major impact on its accounting processes. ABAG has been highly responsive in assisting WETA to successfully implement these new processes.

Staff recommends continuation of the accounting support services contract with the Association of Bay Area Governments in FY 2015/16 and will work to extend the contract on terms consistent with the current year.

7. Advertising in Bay Crossings and Other Public Information Services – WETA has utilized the *Bay Crossings* newspaper as a means of communicating with ferry riders, businesses, and residents of the Bay’s shoreline communities regarding its plans, environmental review process, and services since 2001. WETA has also provided a subsidy to support the Bay Crossings store in the San Francisco Ferry Building which provides ferry passengers access to ferry schedules, information, and tickets. The current contract, which covers the period from July 1, 2014 to June 30, 2015, includes \$36,000 for advertising and informational articles in *Bay Crossings* and \$12,000 for providing extended store hours during the work week.

Staff recommends continuing this contract with Bay Crossings in FY 2015/16 to provide advertising space in *Bay Crossings* and public information services to ferry riders and will work to extend the contract on terms consistent with the current year.

Fiscal Impact

There is no fiscal impact associated with this item. However, funds to support these contracts, as ultimately recommended for approval by the Board in the future, will be included in WETA’s proposed FY 2015/16 budget to be developed and brought forward for Board consideration in May or June 2015.

END

MEMORANDUM

TO: Board Members

FROM: Kevin Connolly, Manager, Planning & Development

SUBJECT: Future Project Agreements with Ferry Development Partners

Recommendation

Receive this informational item.

Background

Staff is currently developing agreements with public agency partners for four projects that will ultimately be considered by the Board for adoption or approval. These agreements are broadly intended to define a project and its service level, establish roles for project agency partners and provide for funding responsibilities and advocacy. This memorandum discusses the content and makeup of a standard project agreement to provide a general introduction in advance of project-specific agreements that will be brought to the Board later this year.

Board approval will be sought for future project agreements currently under development for such projects as Richmond, Treasure Island, Downtown San Francisco Ferry Terminal Expansion and Seaplane Lagoon.

Discussion

A set of core service principles guides the formation of a project agreement for WETA staff. The agreements define the type of service (all day versus commute), the level of ridership and revenue expected and the estimated 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. While there are many areas of commonality, each project also has its own individual context and characteristics which requires agreements to be flexible enough to account for different development or operating models.

Project agreements may be developed for projects at various stages in their development. For example, the Richmond project agreement under development is focused on defining general operating parameters and roles and responsibilities for operating and capital project funding for this environmentally cleared project. Development of this agreement with the Contra Costa County Transportation Authority, the agency administering Measure J funds to be used to support service operation, is an important next step for the project to ensure local support for the project and required operating funds before WETA invests in service vessel procurement and terminal design and construction. In contrast, the Sea Plane Lagoon agreement is being developed with the City of Alameda in advance of any terminal or facility design or environmental clearance to reflect potential service integration opportunities and shared funding responsibilities associated with exploring this potential new terminal site in Alameda.

Development of project agreements allows project partners to ensure there is policy board-level commitment to the success of a project. This allows staff to participate in development activities and advocate for future funding sources, even though council and board members

may change over time. It also provides a detailed definition of development considerations, service levels and costs, which allows for a more complete project understanding by all involved parties. This level of understanding helps to set expectations and generate supportive policy and funding decisions.

Project agreements for new services include a 10-year forecast of operating expenses and estimates of ridership and fare revenue. Project agreements target a minimum 10-year guaranteed source of operating subsidy. This enables project partners to invest capital resources and assures project partners and future riders that new services will have adequate time to build ridership and establish permanency.

The standard WETA project agreement is organized into the following sections:

- Roles and Responsibilities
- Service Plan
- Operations Funding
- Capital Funding, Maintenance and Repair

The four project agreements now under discussion with agency partners all have different focus areas based on their stage of development, external support or anticipated funding sources. The table below provides a summary of these focus areas, along with anticipated dates and partner agencies.

Upcoming Project Agreements

| PROJECT | PARTNER | ANTICIPATED DATE | FOCUS AREA |
|---|-----------------|-------------------------|--|
| <u>Final Design/Construction/ Operations</u> | | | |
| Richmond Terminal/Service | CCTA | Spring, 2015 | Operating funds, service level |
| Downtown SF Terminal Expansion | Port of SF | Summer, 2015 | Design, construction, facility ownership and maintenance |
| Treasure Island Service | TIDA, TIMMA | Early 2016 | Service operation, vessels |
| <u>Initial Planning/Investigation</u> | | | |
| Seaplane Lagoon Terminal/Service | City of Alameda | Spring, 2015 | Development roles, funding, service integration |

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development

SUBJECT: WETA 2015 Short Range Transit and Strategic Plan Overview

Recommendation

Receive this informational item.

Background/Discussion

The Short Range Transit Plan (SRTP) is a planning document required by the Metropolitan Transportation Commission (MTC) to meet Federal Transit Administration (FTA) requirements of all agencies receiving federal transit funding. The purpose of the document is to provide a reasonable 10-year forecast of an agency's capital and operating revenues and expenses along with service evaluations and general agency information. The SRTP is grounded by a constrained budget, assuming known sources of revenue and generally does not look beyond a 10-year horizon. The Metropolitan Transportation Commission (MTC) administers a grant program for the production of the SRTP and generally requires agencies to produce updated SRTP's every two to three years. The last WETA SRTP was adopted by the Board in January 2013. The 2015 SRTP is scheduled to be adopted by the WETA Board in September 2015.

A Strategic Plan is a longer-term exercise for an organization that generally looks beyond funding constraints to articulate a vision for the next 20-30 years. A Strategic Plan is a guiding policy document that allows the Board of Directors to provide direction based on an agreed-upon set of values and a defined mission and objectives. Strategic Plans allow a Board the opportunity to define a core mission for an organization, identify funding shortfalls and develop strategies for fulfilling funding needs. Strategic Plans should be produced or revisited periodically as agency goals alter over time and projects are completed or new projects and programs arise. The Water Transit Authority Implementation and Operations Plan – the nearest document to a Strategic Plan – was produced in 2002.

The Strategic Plan and the SRTP act in concert allowing an agency to communicate both long- and short-range perspectives on its key projects, programs and overall agency mission. Ideally, a Strategic Plan provides the policy foundation for developing and implementing agency projects and programs over a 20-30 time period. The Short Range Transit Plan then presents a regularly updated status and financially constrained report and forecast of ongoing project and program activities. Ideally, both documents serve as a foundation for an agency's annual budget which operationalizes the vision of the Strategic Plan based on the forecast contained in the SRTP.

WETA Strategic Plan & Short Range Transit Plan Process

Staff proposes to conduct a two-part effort that produces a Strategic Plan in the first half of 2015 with a target adoption date of May 2015. Using the Strategic Plan as a policy foundation, the SRTP will then be developed in the spring with a draft plan released to the

public in June 2015 and final adoption in September 2015. In addition to active Board participation, both plans will also require engagement with project stakeholders, ferry riders and the public at-large.

Board engagement will occur primarily through special workshops or discussion at regularly scheduled meetings. If necessary, a Board retreat may also be considered. Public workshops – likely to be held in San Francisco because of its central location – will also be considered to solicit input from riders and the general public. For the SRTP, the Board will review the draft plan at the June 2015 Board meeting and be asked to adopt the final plan at the September 2015 meeting. In between, the plan will undergo review by MTC and the general public.

The draft schedule provided in **Attachment A** presents both SRTP and Strategic Plan milestones and potential public meeting dates side-by-side. The schedule is still in concept stages and subject to change.

Fiscal Impact

WETA receives funding from MTC to produce the SRTP, which is used to reimburse staff time and for any consultant support required. Staff has not received a draft funding agreement from MTC to date but will likely receive approximately \$30,000 to produce the 2015 SRTP.

END

Attachment A: Draft SRTP, Strategic Plan Schedules

WETA SRTP 2015 Draft Schedule

| | | |
|---|-----------------------------------|-------------------|
| 1 | MTC executes funding contract | March 1, 2015 |
| 2 | Initial Staff Draft Due to MTC | July 1, 2015 |
| 3 | Information Item to WETA Board | September 3, 2015 |
| 4 | Release Draft for Public Review | September 4, 2015 |
| 5 | Public Comment Period Closed | October 2, 2015 |
| 6 | Final SRTP Adoption by WETA Board | November 5, 2015 |
| 7 | Final SRTP Submitted to MTC | November 6, 2015 |

WETA Strategic Plan Draft Schedule

| | | |
|---|--|-------------------|
| 1 | Board Workshop 1: Current Operations, Expansion, Emergency Response | February 13, 2014 |
| 2 | Board Workshop 2: Mission & Goals; 10-year, 20-year scenarios | April 10, 2015 |
| 3 | Draft Strategic Plan | May 7, 2015 |
| 4 | Strategic Plan Adoption | June 4, 2015 |

WETA Strategic Plan Public Workshops

| | | |
|---|---|----------------|
| 1 | Public Workshop 1: Current Operations, Expansion, Emergency Response | March 13, 2015 |
| 2 | Public Workshop 2: Mission & Goals; 10-year, 20-year scenarios | April 3, 2015 |
| 3 | Public Workshop 3: Draft Strategic Plan | May 8, 2015 |