

**Members of the Board**

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

**BOARD OF DIRECTORS' MEETING**  
*Thursday, September 3, 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](http://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. Board Meeting Minutes – August 24, 2015
7. APPROVE ON-CALL PLANNING, MARINE ENGINEERING AND PROFESSIONAL SERVICES LIST AND CONTRACTS
8. APPROVE A SOLE SOURCE CONTRACT WITH MARINE JET POWER AB, FOR WATERJET SUBCOMPONENT REPLACEMENT PARTS ON *INTINTOLI*
9. APPROVE A SOLE SOURCE CONTRACT WITH ZF MARINE LLC, FOR REDUCTION GEAR SUBCOMPONENT PARTS REPLACEMENT ON *INTINTOLI* **Action**
10. APPROVE CORRECTIVE ACTION PLAN FOR SOUTH SAN FRANCISCO FERRY SERVICE FOR SUBMITTAL TO THE METROPOLITAN TRANSPORTATION COMMISSION **Action**
11. STATUS REPORT ON WETA STRATEGIC PLAN EFFORTS
12. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

## Water Emergency Transportation Authority September 3, 2015 Meeting of the Board of Directors

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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](mailto: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.

**MEMORANDUM**

TO: WETA Board Members  
FROM: Nina Rannells, Executive Director  
DATE: September 3, 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. The Board approved a contract with Kvichak Marine Industries in April 2015 for the construction of two new replacement vessels.

Design and engineering work is underway, main engines for both vessels have been ordered. The first aluminum orders for construction were delivered in late August.

**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. 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, vessel drydock, interior vessel paint, provision of spare gearbox, propellers and shafts. Bay Ship & Yacht completed Phase 1 work in mid-2015

Staff is anticipating issuing an RFP for Phase 2 of the project in late Summer 2015 so that we are in a position to award a contract for work this Winter. Phase 2 will include replacement of all control systems and navigation electronics, snack bar renewal, and exterior cabin paint.

**Vallejo Ferry Terminal Maintenance Dredging** – This project will dredge the Ferry Terminal basin and refurbish the passenger float. The last maintenance dredging episode occurred in 2011; the basin has silted and requires maintenance dredging. CLE Engineering was awarded a contract to assist staff with permitting and project management on October 16, 2014. All permit applications have been submitted, with no delays expected. The Board awarded a contract for the work to Vortex Marine Construction in August 2015 and the work is expected to begin in September and to be completed during the Fall 2015 in-water construction window for the project area.

**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 Board of Directors awarded a design-build contract for the landside phase to West Bay Builders, now Thompson Builders, in August 2013. Landside construction is substantially complete. Remaining tasks for the landside construction phase include commissioning and testing of systems that run between the landside and waterside portions of the project.

The Board of Directors awarded a design-build contract for the waterside construction phase to Dutra Construction in July 2014. Final design of the waterside phase is complete. The Navy NEPA environmental review work for the waterside portion of the project is complete and WETA entered into a lease with the Navy for the project area submerged lands on July 15, 2015. All required permits for the waterside construction phase of the project have been received. Pile driving activities began the week of August 3, 2015 and are nearing completion. A total of 23 piles will be driven over a 4 week period.

**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 will support ongoing daily services and will 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. Final design was completed in December 2014. Float fabrication was completed in Portland, Oregon. Construction of aluminum ramping is nearing completion. The float was launched the week of August 25 and is anticipated to be delivered to the Bay Area during this week. The superstructure and ramping will be installed at Dutra's yard in Alameda.

**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 June 4, 2015, the Bay Conservation and Development Commission (BCDC) voted to approve a Major Permit for construction of the project. Staff is proceeding to complete remaining design work and permitting for the project prior to requesting authorization from the WETA Board to release construction bid documents for the project later this year. 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 WETA Board in December 2013.

Staff is also advancing work to provide a replacement harbor seal haul-out in conjunction with this project. A conceptual design and implementation plan has been developed in coordination with a working group consisting of Alameda community members, City staff, and a marine

mammal expert. A request has been submitted to BCDC to amend the project permit to allow for construction of the proposed replacement harbor seal haul-out.

**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 in September 2014. The WETA Board certified the Final EIR in October 2014, and project plans and specifications are under development. A Memorandum of Understanding with the Port of San Francisco defining roles and responsibilities for project design development was executed in May 2015. On July 1st, the project was presented to the San Francisco Historic Preservation Commission for design review. In July, the USACOE issued a permit to proceed with in-water geotechnical sampling work in support of the project.

### **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 WETA Board adopted a Funding Agreement and Memorandum of Understanding with the Contra Costa Transportation Authority at its March 2015 meeting that funds the operation for a minimum period of 10 years.

Staff is currently working with the FTA on completion of the NEPA environmental review. The NEPA document is anticipated to be complete in the next one to two months. Consultation with the State Historic Preservation Office and National Marine Fisheries Service is complete. Terminal design activities have begun and staff has held initial meetings with the BCDC. Staff attended the July 13, 2015 meeting of the BCDC Design Review Board (DRB). The project design team is responding to DRB input requesting WETA to work collaboratively to coordinate this project with artists creating a public art piece nearby the future terminal. The project will be presented to the DRB again on September 14, 2015. The next project activity will be the initial efforts for vessel procurement.

**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 50<sup>th</sup> residential unit.

WETA staff is working cooperatively with City of San Francisco staff to support development of this project, including participating in regular meetings of the City's Technical Advisory Committee convened to update and further develop the Treasure Island Mobility Management Program, which will include new ferry service provided in conjunction with the development project. The City is scheduled to consider adoption of preliminary toll policies in Fall 2015 that will include a financial plan for the Mobility Management Program. Staff has begun 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 consideration by the WETA Board.

**Berkeley Environmental Studies** – This service will provide an alternative transportation link between Berkeley and downtown San Francisco. 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.

### **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 on to 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. In response to WETA staff activity, the City of Alameda Transportation Commission formed its own Ad Hoc Subcommittee to investigate improvements for ferry terminal access. In addition to Transportation Commission members and City of Alameda staff, the Subcommittee also includes WETA staff and representatives from AC Transit and local community organizations.

One of the original intents of the WETA Access Plan was to engage agency partners in finding access solutions. The formation of the Ad Hoc Subcommittee represents a success of the planning effort: the City of Alameda is engaged and is helping to improve access to ferry services for its residents. AC Transit has also developed proposals for service to Main Street to share with the Subcommittee. During this time, WETA staff has put access plan activities on hold to work collaboratively with the City and other partners to focus on parking strategies. The plan will restart with a fresh focus on alternative modes such as buses, shuttles, bicycles and pedestrian improvements after the Main Street overflow parking issue is considered by the Subcommittee.

**Alameda Seaplane Lagoon Study** - The City of Alameda has proposed a new ferry terminal located along Seaplane Lagoon on the former Naval Air Station at Alameda Point. Consistent with terms of the 2011 Transition Agreement executed between WETA and the City of Alameda, both parties have been working together to explore the viability of a new ferry service connecting Seaplane Lagoon and San Francisco over the past year.

Staff has been working with the City of Alameda on a 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. However, the City's designated developer of the Sea Plane Lagoon property -- Alameda Point Partners -- has elected to pursue a private sector operator and private development for the Seaplane Lagoon ferry terminal through the impending release of a Request for Proposals for ferry operations.

**Mission Bay Ferry Terminal** – The NBA Champion Golden State Warriors basketball team has identified a preferred arena site at the foot of 16<sup>th</sup> 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. The Warriors and the City released an Environmental Impact Report for the proposed arena in early June, 2015, that does not consider a new ferry terminal or ferry service as a part of its project.

**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 Activities Update** – WETA's enabling legislation, SB 976 as amended by SB 1093, directs the agency to provide comprehensive water transportation and emergency coordination services for the Bay Area region. Staff is currently working on several emergency response related activities:

External and Internal Emergency Plan Updates: WETA's external Emergency Water Transportation System Management Plan (EWTSMMP) was published and approved in 2009. Utilizing the services of Lee Rosenberg with Navigating Preparedness Associates, staff has embarked on a process of evaluating existing plans and capabilities and updating WETA's internal and external emergency response plans. Navigating Preparedness has prepared an initial draft plan of the external plan which is undergoing staff review at this time. Staff anticipates completion of both plans by the end of the year.

Yellow Command Urban Shield 2015 Exercise: Yellow Command is a law enforcement annual functional exercise opportunity for emergency operation centers (EOCs) throughout the Bay Area to activate and collaborate through the California Office of Emergency Services (CalOES) Coastal Region EOC (REOC) per the Standardized Emergency Management System. The exercise will build and strengthen response capabilities in preparation for Super Bowl 50. One of the main objectives of the exercise is to test the Regional Catastrophic Earthquake Mass Transportation / Evacuation Plan. Staff has attended several planning meetings and workshops in preparation for this exercise. WETA's objectives for this exercise include evaluating coordination with the Coastal Region EOC and U.S. Coast Guard regarding coordination of resources through a liaison in the Coastal Region EOC, assessing WETA's ability to receive and fulfill a request to transport first responders, partially activating the WETA EOC, and transit service suspension and resumption. In addition WETA will be testing communication systems.

Staff will be activating WETA's EOC at Pier 9, and a WETA liaison will be located at the CalOES REOC in Walnut Creek. The exercise will take place between 9:00am and 12:00pm on Friday September 11.

San Francisco Fleet Week 2015 Exercise: San Francisco Department of Emergency Management (SFDEM), in partnership with the San Francisco Center for Humanitarian Assistance Disaster Response and the Port of San Francisco, is planning a defense support of civil authorities (DSCA) full scale exercise drill aimed at bringing together area leaders and first responders with the Department of Defense and Homeland Security services to test disaster transportation and logistics strategies and improve the preparedness for and response to a catastrophic disaster. The 2015 exercise is focused on logistics of supply movement and does not include a component for the movement of people. WETA continues to attend the planning meetings and will participate as an observer during the exercise on Monday October 5, 2015. As a follow-up, staff will work with the San Francisco Fleet Week partners to develop a scenario for the 2016 exercise

that would move people to allow us to test our revised emergency plan and participate as a player in next year's exercise.

Fueling Exercise with MARAD: WETA staff is coordinating with the Maritime Administration (MARAD) to conduct a fueling exercise this winter to check compatibility of fueling hoses between the MARAD and WETA fleets and fendering requirements for WETA vessels. Staff will provide the Board with more information once the planning process is further along.

**Vallejo Ticket Office Management Transfer** - On July 1, management of the Vallejo Ticket Office (VTO) was successfully transferred from SolTrans to Blue and Gold Fleet. The transfer is the first step in the evolution of the VTO into a SF Bay Ferry Customer Service Center that will receive and respond to SFBF system wide customer questions submitted via email, phone, or internet.

**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 \$2 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 has reached out directly to the Coast Guard to request additional information regarding their work and analysis supporting this recommendation and to request a consultative process to review and discuss any changes that might be made. On May 27, Nina Rannells, Keith Stahnke, Marty Robbins of Fast Ferry Management and representatives from Blue & Gold Fleet met with United States Coast Guard staff to receive a presentation regarding their work to date and begin the consultative process on this initiative. WETA staff and Blue & Gold Fleet prepared a draft response as requested by the USCG. Initial feedback is the draft letter has provided adequate detail on safety, risks and mitigations for vessels to operate at the current manning levels. Staff was informed that a written request for letters for each vessel inspection file is forthcoming. In addition the 2005 risk assessment for the four North Bay vessels in Vallejo service was located and the only action required is to confirm that any subsequent changes to systems or equipment do not impact the risk assessment findings.

**Senate Bill X1-7 and Assembly Bill X1-8** – SB X1-7, introduced by Senator Allen, and AB X1-8, introduced by Assembly Members Chu and Bloom, are identical measures. These bills would increase the sales and use tax on diesel fuel from 1.75% to 5.25%, beginning July 1, 2016. This tax increase is expected to generate approximately \$300 million to support public transit's capital maintenance and expansion needs as well as operational needs.

If enacted, WETA's system-wide fuel cost would increase by approximately \$79,000, based upon current usage, and WETA would receive an estimated additional \$900,000 in State Transit Assistance (STA) funds, based upon the current STA formula.

### **MEETINGS AND OUTREACH**

On August 13, Lauren Gularte attended the Yellow Command Final Planning meeting in Dublin.

On August 14, Lauren Gularte attended the Regional Business Outreach Committee meeting at Alameda County Transportation Commission.



On August 18, Lauren Gularte attended the Midterm Planning meeting for the 2015 San Francisco Fleet Week exercise.

On August 19, Kevin Connolly, Nina Rannells and Chad Mason presented an overview of the WETA Strategic Plan activities to the San Francisco Urban Research (SPUR) Transportation Committee.

On August 21, Nina Rannells attended the California State Assembly Select Committee informational hearing on Improving Transportation Bay Area Transportation Systems.

On August 24, Nina Rannells and Lauren Gularte attended a presentation and discussion regarding the draft joint CalOES and FEMA Region IX Bay Area Earthquake Plan.

On August 24, Nina Rannells attended the Clipper Executive Committee meeting in Oakland.

On August 31, Lauren Gularte attended a radio interoperability meeting in preparation for the 2015 Yellow Command exercise.

On September 1, Lauren Gularte attended the Regional Business Outreach Committee meeting.

On September 2, Lauren Gularte attended a meeting at the California Office of Emergency Service Regional Emergency Operation Center in preparation for the 2015 Yellow Command exercise.

### **OPERATIONS REPORT**

**Extra Services During BART Transbay Closures** - On August 1 and 2 BART Transbay Tube operations was suspended to permit track repairs to a critical section of track near the West Oakland BART station. In preparation for this disruption, staff worked to develop an expanded service schedule to San Francisco to accommodate anticipated increased passenger demand. Additional ferry departures doubled the trips from the East bay to San Francisco from 12 to 24, with the first East bay departure at 8:10am and the last San Francisco arrival at midnight. One additional Vallejo trip was added to both the morning and evening peak travel periods. Ridership for the weekend was very strong at 20,014 compared to the previous weekend total of 11,962. While the service levels worked well, Saturday reached capacity on several departures. Frequent departures and good schedule adherence minimized wait times. The next closure weekend is scheduled for September 5, 6, and 7.

**Monthly Operating Statistics** - The Monthly Operating Statistics Reports for July 2015 is provided as Attachment A.

## Attachment A

### Monthly Operating Statistics Report July 2015

			Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo*	Systemwide
Ridership	vs. last month	Total Passengers July 2015	116,219	27,209	10,661	96,806	250,895
		Total Passengers June 2015	96,050	26,280	10,550	88,103	220,983
		Percent change	21.00%	3.54%	1.05%	9.88%	13.54%
	vs. same month last year	Total Passengers July 2015	116,219	27,209	10,661	96,806	250,895
		Total Passengers July 2014	98,329	22,110	8,042	89,074	217,555
		Percent change	18.19%	23.06%	32.57%	8.68%	15.32%
	vs. prior FY to date	Total Passengers Current FY To Date	116,219	27,209	10,661	96,806	250,895
		Total Passengers Last FY To Date	98,329	22,110	8,042	89,074	217,555
		Percent change	18.19%	23.06%	32.57%	8.68%	15.32%
			Avg Weekday Ridership July 2015	3,721	1,180	464	3,411
Ops Stats	Passengers Per Hour		236	184	62	160	177
	Revenue Hours		493	148	171	604	1,416
	Revenue Miles		5,900	3,228	2,717	16,459	28,304
Fuel	Fuel Used (gallons)		52,755	15,161	19,182	134,479	221,577
	Avg Cost per gallon		\$2.16	\$2.16	\$2.16	\$2.08	\$2.14

\* Vallejo ridership includes ferry + 5906 Route 200 bus passengers.

MEMORANDUM

**TO: Board Members**

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

**SUBJECT: Monthly Review of FY 2015/16 Financial Statements for One Month  
Ending July 31, 2015**

**Recommendation**

There is no recommendation associated with this informational item.

**Summary**

This report provides the attached FY 2015/16 Financial Statements for one month ending July 31, 2015.

**Operating Budget vs. Actual**

	Prior Actual	Current Budget	Current Actual
<b>Revenues - Year To Date:</b>			
Fare Revenue	1,439,242	1,232,178	1,676,717
Local Bridge Toll Revenue	1,056,665	1,554,247	1,027,182
Other Revenue	500	48,288	-
<b>Total Operating Revenues</b>	<b>2,496,407</b>	<b>2,834,713</b>	<b>2,703,899</b>
<b>Expenses - Year To Date:</b>			
Planning & Administration	138,772	254,795	253,636
Ferry Services	2,357,635	2,579,918	2,450,263
<b>Total Operatings Expenses</b>	<b>2,496,407</b>	<b>2,834,713</b>	<b>2,703,899</b>
<b>System-Wide Farebox Recovery %</b>	<b>61%</b>	<b>48%</b>	<b>68%</b>

**Capital Actual and % of Total Budget**

	YTD Actual	% of FY 2015/16 Budget
<b>Revenues:</b>		
Federal Funds	15,078	0.05%
State Funds	24,283	0.10%
Bridge Toll Revenues	3,037	0.02%
Other Local Funds	1,068	0.03%
<b>Total Capital Revenues</b>	<b>43,466</b>	<b>0.06%</b>
<b>Expenses:</b>		
<b>Total Capital Expenses</b>	<b>43,466</b>	<b>0.06%</b>

**Fiscal Impact**

There is no fiscal impact associated with this informational item.

\*\*\*END\*\*\*

**San Francisco Bay Area Water Emergency Transportation Authority**  
**FY 2015/16 Statement of Revenues and Expenses**  
**For One Month Ending 07/31/2015**

% of Year Elapsed 8.5%

	Current Month <sup>1</sup>	Year - To - Date			Budget	
		FY2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Actual	FY 2015/16 Total	% of Total
<b>OPERATING EXPENSES</b>						
<b><u>PLANNING &amp; GENERAL ADMIN:</u></b>						
Wages and Fringe Benefits	98,615	102,889	128,077	98,615	1,508,000	6.5%
Services	155,627	14,349	126,378	155,627	1,488,000	10.5%
Materials and Supplies	3,388	258	2,378	3,388	28,000	12.1%
Utilities	716	(265)	1,953	716	23,000	3.1%
Insurance	-	18,335	1,953	-	23,000	0.0%
Miscellaneous	439	4,478	10,192	439	120,000	0.4%
Leases and Rentals	23,784	22,904	25,564	23,784	301,000	7.9%
Admin Overhead Expense Transfer	(28,933)	(24,177)	(41,701)	(28,933)	(491,000)	5.9%
<b>Sub-Total Planning &amp; Gen Admin</b>	<b>253,636</b>	<b>138,772</b>	<b>254,795</b>	<b>253,636</b>	<b>3,000,000</b>	<b>8.5%</b>
<b><u>FERRY OPERATIONS:</u></b>						
<b><u>Harbor Bay FerryService</u></b>						
Purchased Transportation	146,364	122,493	155,195	146,364	1,827,300	8.0%
Fuel - Diesel & Urea	32,773	42,336	39,153	32,773	461,000	7.1%
Other Direct Operating Expenses	34,967	26,596	42,415	34,967	499,400	7.0%
Admin Overhead Expense Transfer	4,968	4,506	6,964	4,968	82,000	6.1%
<b>Sub-Total Harbor Bay</b>	<b>219,071</b>	<b>195,930</b>	<b>243,728</b>	<b>219,071</b>	<b>2,869,700</b>	<b>7.6%</b>
<b>Farebox Recovery</b>	<b>58%</b>	<b>52%</b>	<b>41%</b>	<b>58%</b>	<b>41%</b>	
<b><u>Alameda/Oakland Ferry Service</u></b>						
Purchased Transportation	478,712	474,105	474,861	478,712	5,591,100	8.6%
Fuel - Diesel & Urea	114,035	151,795	123,321	114,035	1,452,000	7.9%
Other Direct Operating Expenses	62,330	67,339	101,442	62,330	1,194,400	5.2%
Admin Overhead Expense Transfer	13,079	9,357	18,600	13,079	219,000	6.0%
<b>Sub-Total Alameda/Oakland</b>	<b>668,155</b>	<b>702,595</b>	<b>718,223</b>	<b>668,155</b>	<b>8,456,500</b>	<b>7.9%</b>
<b>Farebox Recovery</b>	<b>85%</b>	<b>70%</b>	<b>53%</b>	<b>85%</b>	<b>53%</b>	
<b><u>Vallejo FerryService</u></b>						
Purchased Transportation	917,782	660,504	766,464	917,782	9,024,500	10.2%
Fuel - Diesel & Urea	280,332	455,549	413,977	280,332	4,874,250	5.8%
Other Direct Operating Expenses	89,472	89,810	124,119	89,472	1,461,400	6.1%
Admin Overhead Expense Transfer	5,011	4,538	7,644	5,011	90,000	5.6%
<b>Sub-Total Vallejo</b>	<b>1,292,596</b>	<b>1,210,401</b>	<b>1,312,205</b>	<b>1,292,596</b>	<b>15,450,150</b>	<b>8.4%</b>
<b>Farebox Recovery</b>	<b>70%</b>	<b>66%</b>	<b>53%</b>	<b>70%</b>	<b>53%</b>	
<b><u>South San Francisco FerryService</u></b>						
Purchased Transportation	184,758	152,728	196,863	184,758	2,317,900	8.0%
Fuel - Diesel & Urea	41,464	59,280	53,719	41,464	632,500	6.6%
Other Direct Operating Expenses	38,344	30,925	46,687	38,344	549,700	7.0%
Admin Overhead Expense Transfer	5,875	5,776	8,493	5,875	100,000	5.9%
<b>Sub-Total South San Francisco</b>	<b>270,441</b>	<b>248,709</b>	<b>305,762</b>	<b>270,441</b>	<b>3,600,100</b>	<b>7.5%</b>
<b>Farebox Recovery</b>	<b>27%</b>	<b>21%</b>	<b>20%</b>	<b>27%</b>	<b>20%</b>	
<b>Total Operating Expenses</b>	<b>2,703,899</b>	<b>2,496,407</b>	<b>2,834,711</b>	<b>2,703,899</b>	<b>33,376,450</b>	<b>8.1%</b>
<b>OPERATING REVENUES</b>						
Fare Revenue	1,676,717	1,439,242	1,232,178	1,676,717	14,507,900	11.6%
Local - Bridge Toll	1,027,182	1,056,665	1,554,247	1,027,182	18,300,000	5.6%
Local - Alameda Tax & Assessment	-	-	48,288	-	568,550	0%
Local - Other Revenue	-	500	-	-	-	0%
<b>Total Operating Revenues</b>	<b>2,703,899</b>	<b>2,496,407</b>	<b>2,834,711</b>	<b>2,703,899</b>	<b>33,376,450</b>	<b>8.1%</b>

<sup>1</sup> Totals include August 1st and 2nd, Transbay Tube Closure, as reported by Blue and Gold Fleet.

**San Francisco Bay Area Water Emergency Transportation Authority**  
**FY 2015/16 Statement of Revenues and Expenses**  
**For One Month Ending 7/31/2015**

Project Description	Current Month	Project Budget	Prior Years Actual	FY2015/16 Budget <sup>1</sup>	FY2015/16 Actual	Future Year	% of Total Project Budget
<b>CAPITAL EXPENSES</b>							
<b>FACILITIES:</b>							
<b>Maintenance and Operations Facilities</b>							
North Bay Operations & Maintenance Facility	14,265	31,082,000	17,978,666	13,103,334	14,265	-	58%
Central Bay Operations & Maintenance Facility	5,808	45,600,000	3,182,898	14,317,102	5,808	28,100,000	7%
<b>Float Rehabilitation/Replacement</b>							
Regional Spare Float Replacement	-	3,862,000	1,457,429	2,404,571	-	-	38%
Replace Mooring Piles - Harbor Bay Float	-	450,000	-	450,000	-	-	
<b>Terminal Improvement</b>							
Electronic Bicycle Lockers	-	79,500	-	79,500	-	-	0%
Channel Dredging - Vallejo Ferry Terminal	7,247	1,700,000	57,854	1,642,146	7,247	-	4%
Terminal Access Improvement	-	250,000	-	250,000	-	-	0%
<b>FERRY VESSELS:</b>							
<b>Major Component Rehabilitation / Replacement</b>							
Vessel Engine Overhaul - Gemini Class Vessels	-	1,320,000	777,927	542,073	-	-	59%
Selective Catalyst Reduction (SCR) System Overhaul	-	1,400,000	-	700,000	-	700,000	0%
Major Component & Waterject Rehab - Intintoli	-	2,860,000	-	2,860,000	-	-	0%
Major Component Rehabilitation - Solano	-	430,000	-	430,000	-	-	0%
<b>Vessel Mid-Life Repower/Refurbishment</b>							
Vessel Mid-Life Refurbishment - Peralta	281	5,260,000	3,373,932	1,886,068	281	-	64%
Vessel Quarter-Life Refurbishment - Gemini	-	2,400,000	-	2,400,000	-	-	0%
<b>Vessel Expansion/Replacement</b>							
Purchase Replacement Vessel - Express II & Encinal	4,272	33,951,000	3,227,001	17,086,999	4,272	13,637,000	10%
Purchase Replacement Vessel - Vallejo	187	21,052,000	387	4,999,613	187	16,052,000	0%
<b>CAPITAL EQUIPMENT / OTHER:</b>							
Purchase Heavy Duty Forklift	-	120,000	-	120,000	-	-	0%
Purchase Utility Vehicles	-	35,000	-	35,000	-	-	0%
<b>SERVICE EXPANSION:</b>							
<b>Environmental Studies / Conceptual Design</b>							
Berkeley Terminal - Environ/Concept Design	-	2,335,000	2,186,799	148,201	-	-	94%
<b>Terminal/Berthing Expansion Construction</b>							
Downtown Ferry Terminal Expansion - South Basin	3,188	79,580,000	3,269,602	4,180,398	3,188	72,130,000	4%
Richmond Ferry Terminal	8,218	17,062,500	791,931	1,240,569	8,218	15,030,000	5%
<b>Expansion Ferry Vessels</b>							
Richmond Ferry Vessels - 2 each	-	42,000,000	-	2,000,000	-	40,000,000	0%
<b>Total Capital Expenses</b>	<b>43,466</b>	<b>292,829,000</b>	<b>36,304,428</b>	<b>70,875,573</b>	<b>43,466</b>	<b>185,649,000</b>	
<b>CAPITAL REVENUES</b>							
Federal Funds	15,078	65,115,756	9,114,783	30,129,489	15,078	25,871,484	14%
State Funds	24,283	166,257,383	22,272,394	24,660,205	24,283	119,324,784	13%
Local - Bridge Toll	3,037	54,775,921	3,467,192	12,582,847	3,037	38,725,882	6%
Local - Alameda Sales Tax Measure B	1,068	5,079,940	1,450,059	2,263,031	1,068	1,366,850	29%
Local - Alameda TIF / LLAD	-	450,000	-	90,000	-	360,000	0%
Local - San Francisco Sales Tax Prop K	-	1,100,000	-	1,100,000	-	-	0%
Local - Transportation Funds for Clean Air	-	50,000	-	50,000	-	-	0%
<b>Total Capital Revenues</b>	<b>43,466</b>	<b>292,829,000</b>	<b>36,304,428</b>	<b>70,875,573</b>	<b>43,466</b>	<b>185,649,000</b>	

<sup>1</sup> FY2015/16 Budget includes adjustments to reflect actual FY2014/15 expenditures.

**MEMORANDUM**

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**TO: Board Members**

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

**SUBJECT: WETA Federal Legislative Board Report – August 24, 2015**

This report is divided into four sections:

1. Senate Passes “Long Term” Transportation Bill But Much Work Remains
2. FHWA Ferry Formula Grant Program – Lobbying Objectives
3. FTA Ferry Discretionary Grant Program – Lobbying Objectives
4. FTA Ferry Discretionary Grant Program – Notice of Funding Availability
5. Tax Benefit for Transit Commuters

**Senate Passes “Long Term” Transportation Bill But Much Work Remains**

The Senate passed a six-year surface transportation bill at the end of July, which bill sponsors named the DRIVE Act (Developing a Reliable and Innovative Vision for the Economy). While Senate leaders billed this as a “long term” bill, funding for highways and transit was only identified for three of the six years.

Unfortunately, there was not time for further action on the DRIVE Act before Congress adjourned for the August recess. Therefore, the House and Senate passed a three-month extension of current law. Without an extension, funding for highways and transit would have run dry in August. With the Senate passing the DRIVE Act, and with current law now expiring at the end of October, the House will presumably feel pressure take up its own surface transportation bill after the August recess, which would be followed by a House-Senate Conference Committee to reconcile differences between the two bills. Assuming this were all to happen, a final bill would be sent to the President for his signature.

Our lobbying on the DRIVE Act has been focused on the Federal Highway Administration (FHWA) ferry formula program and the Federal Transit Administration (FTA) ferry discretionary grant program. Details of those efforts follow.

**FHWA Ferry Formula Grant Program – Lobbying Objectives**

The DRIVE Act is similar to the transportation bill that the Senate Environment and Public Works (EPW) Committee marked up last year in that it makes two significant (and WETA-supported) changes to the FHWA ferry formula program first created by MAP-21:

1. The bill increases the annual funding dedicated to this program to \$75 million (from \$67 million); and
2. The bill changes 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].

Preserving the new formula in the DRIVE Act, given that the EPW Committee Chairman is currently Jim Inhofe from Oklahoma (and not necessarily a friend of passenger ferries), is a major win for WETA, and has a lot to do with our work to “buck up” Senator Boxer and her staff over the past few years.

#### **FTA Ferry Discretionary Grant Program – Lobbying Objectives**

The DRIVE Act does not increase funding for the FTA ferry grant program – funding stays flat at \$30 million per year. This is despite the fact that funding increases were applied to many other transit grant programs, including the Section 5307 Urbanized Area Formula Program, under which the FTA ferry grant program is authorized. Funding for the 5307 program was increased from \$4.6 billion under MAP-21 to \$5.2 billion under the DRIVE Act.

Given that neither California Senator is a member of the Senate Banking Committee, which has jurisdiction over the FTA ferry grant program, we long ago aligned ourselves with the New York City federal affairs office. This partnership makes sense given that Staten Island ferries, while bigger than WETA’s ferries, are similar in that they are passenger only and have very short route segments. The benefit to WETA of being aligned with NYC is that two of NYC’s Senators are senior members of the Banking Committee and presumably have clout on this issue.

It is not clear why the NYC’s two Senators were rebuffed on the FTA ferry grant program. Nonetheless, we plan to “turn up the heat” on them, and expand our lobbying outreach to other members of the Banking Committee, focused on those members that represent ferry systems that would benefit from the FTA ferry grant program. Unfortunately, the other systems do not have Washington DC representation (i.e. we cannot rely on those systems to convey our message to their Senators, as NYC has been doing). Instead, we have asked for support from the Masters, Mates and Pilots (MMP), which has long supported WETA efforts with the Bay Area Congressional delegation.

Going forward, there will be at least two opportunities to increase the level of funding for the FTA program: 1) when the House takes up its own surface transportation bill; and 2) during the House-Senate Conference Committee.

#### **FTA Ferry Discretionary Grant Program – Notice of Funding Availability**

The FTA issued a Notice of Funding Availability (NOFA) in August for the FTA grant program. \$30 million is available for FY2015. Applications are due on October 2<sup>nd</sup>. WETA will be seeking funding for the San Francisco Berthing Expansion project – we are working to generate letters of support and phone calls from the Bay Area Congressional delegation, as we have done for past successful grant applications.

#### **Tax Benefit for Transit Commuters**

The Senate Finance Committee recently passed a tax “extenders” package, a collection of tax breaks that expired on December 31, 2014. Included in the extenders package is a provision that we lobbied for on behalf of WETA and that would put commuter tax benefits for transit at the same level as parking. Currently, the tax benefit for transit commuters is \$130 per month, but parkers can get up to \$250 per month. The provision in the Finance package would make the two benefits equal at \$250 per month, through January 1, 2017.

It’s not clear when the extenders package will be taken up by the full Senate, or when the House will consider their version of the tax extenders package. It’s possible that final passage will not happen until closer to the end of the year.

\*\*\*END\*\*\*

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

*(August 24, 2015)*

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the WETA offices at 9 Pier, Suite 111, San Francisco, CA.

**1. CALL TO ORDER – BOARD CHAIR**

Chair Jody Breckenridge called the meeting to order at 1:00 p.m.

**2. PLEDGE OF ALLEGIANCE AND ROLL CALL**

Chair Breckenridge led the Pledge of Allegiance. Other directors present were Director Timothy Donovan and Director Anthony Intintoli.

**3. REPORT OF BOARD CHAIR**

Chair Breckenridge opened the meeting by offering her sincerest apologies to the Directors, staff and to anyone else who had been present at the meeting on August 6 which was cancelled for lack of a quorum due to her absence because of illness. She said she understood that it was an inconvenience to gather and not be able to hold the meeting as scheduled.

**4. REPORTS OF DIRECTORS**

No reports.

**5. REPORTS OF STAFF**

Executive Director Nina Rannells shared her written report with the Board and welcomed any questions or comments. She added that she and Administrative/Policy Analyst Lauren Gularte had attended a joint CalOES/FEMA Bay Area Earthquake planning meeting in Dublin that morning and had received a good update on the plan's progress. Chair Breckenridge asked how that plan was coming together and Ms. Gularte said the plan is expected to be available in draft final form in the next few weeks.

Chair Breckenridge requested a status update on the ferry construction work in Seattle. Manager of Operations Keith Stahnke reported that engines were purchased which are expected to arrive before the end of the year. He said the first metal would be cut this month and that fabrication and welding would be getting underway in September. Chair Breckenridge said she had several trips planned to Seattle before the end of the year, and Mr. Stahnke said he would work on coordinating a visit to see construction progress.

Chair Breckenridge also asked about the North Bay Operations and Maintenance Facility. She said she wanted to know when the facility would be ready to preview by the public and the Board Directors. Senior Planner Chad Mason said the landside was expected to be ready before the end of the calendar year. Chair Breckenridge suggested that the Board possibly meet at the facility in November if it was ready.

Chair Breckenridge requested an update on the delivery date of the spare Regional Passenger Float which had been expected to be delivered in late summer. Mr. Mason said the float was on its way from Portland, Oregon this week and noted that there would be some additional work done on it in Alameda to install the super structure and systems. Chair Breckenridge confirmed with Mr. Mason that once the final phase of work was completed that the float would reside in Vallejo.



Chair Breckenridge asked for a date confirmation of the Defense Support of Civil Authorities (DSCA) exercises expected to take place during Fleet Week in San Francisco. Ms. Gularte confirmed that WETA would be observers during Fleet Week in the first week of October and said that WETA would be participating in the Urban Shield Yellow Command Functional Exercises on September 11. Chair Breckenridge invited the Directors to attend the exercises if available.

Director Donovan asked if the sea trials for the *Peralta* had been successful. Mr. Stahnke said they had and also confirmed that the vessel was back in service.

Ms. Rannells noted that WETA provided expanded service for the BART transbay tube maintenance work closure during the first weekend in August, one of two planned weekend closures. She said that during that weekend WETA doubled the Alameda/Oakland services, ridership doubled, and that one morning and evening trip was added to the Vallejo service.

Chair Breckenridge asked if staff had considered how pending legislation to increase the sales and use tax on diesel fuel from 1.75% to 5.25% - SBx1 7 and ABx1 8 (Chiu and Bloom) – would impact WETA's 2016 fiscal year operating budget if passed. She noted that it would potentially increase available funds for operations but would also likely have a negative financial impact on the operating budget because of the sales and use tax changes. Ms. Rannells said WETA staff would review the impact the bill would have if it passes. Chair Breckenridge said doing so was important before discussions with MTC as related to additional funding availability.

Director Intintoli asked why the Planning & General Administrative budget for fiscal year 2015 showed an increase. Manager of Finance and Grants Lynne Yu explained that WETA had paid down its pension liability by about \$500,000. Chair Breckenridge noted that WETA had added an additional employee. Ms. Rannells noted that WETA had also returned money to MTC.

Director Intintoli noted that farebox recovery for the current month on the Vallejo service was 76% versus an overall average of 52% across all services. He asked why there was such a remarkable difference. Ms. Yu explained that the difference was due to an accounting difference when fare revenues were recognized by the new management team of the Vallejo Ferry Ticket Office. Ms. Rannells reminded the Directors of the management transition from SolTrans to Blue & Gold Fleet that took place beginning in July. Director Intintoli asked if the overall annual farebox recovery percentage for Vallejo was closer to the average of the other services. Ms. Yu confirmed that the numbers did even out after the year end clean-up process.

Chair Breckenridge asked if there were any other questions or comments on the Executive Director's report, the monthly financial statements or the legislative update report and there were none.

## **6. CONSENT CALENDAR**

Director Intintoli made a motion to approve the consent calendar which included:

- a) Board Meeting Minutes of June 4, 2015;
- b) Authorize Release of a Request for Proposals for Selective Catalyst Reduction (SCR) System Rehabilitation on Four Vessels;
- c) Authorize Release of a Request for Proposals for Ferry Vessel *Gemini* Quarter Life Refurbishment Project;
- d) Authorize Release of a Request for Qualifications for North Bay Vessel Construction Management Services; and
- e) Authorize Release of a Request for Proposals for Ferry Vessel *Intintoli* Major Component and Waterjet Rehabilitation Project.

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

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

**7. APPROVE CONTRACT AWARD TO VORTEX MARINE CONSTRUCTION, INC. FOR MARINE CONSTRUCTION SERVICES FOR THE VALLEJO FERRY TERMINAL DREDGING PROJECT**

Mr. Stahnke presented this item requesting Board approval to:

1. Approve contract award to Vortex Marine Construction, Inc. of Oakland, California for Marine Construction Services in an amount not to exceed \$1,731,400 which includes a 10% owner's contingency;
2. Authorize the Executive Director to negotiate and enter into a contract and take any other related actions as may be necessary to support this work; and
3. Approve a budget increase to the Vallejo Ferry Terminal Dredging project in the FY 2015/16 Capital Budget in the amount of \$200,000 to support full funding of this project.

Director Intintoli noted that the Directors had received a letter that day from R.E. Staite Engineering (Staite), one of the four bidders on the project. Staite had delivered a copy of a July 29 protest letter and Chair Breckenridge confirmed that the protest letter would be entered into the record. Ms. Rannells asked that WETA counsel Stanley Taylor III of Nossaman LLP review the protest process for the Directors and his findings in reviewing the protest received from Staite.

Mr. Taylor explained that the contract award protest procedure is detailed in WETA's Administrative Code and the policy states that there are three phases at which formal protests may be submitted: before submittal of bids, after submittal of bids but before contract award, and after contract award. The first two protest opportunities – before bid submittal and after bid submittal but before award – are limited to issues related to the form of the Invitation For Bids (IFB) and not to proposals or bids that were submitted in the IFB process. The issues in the July 29 Staite protest were related to specifics in the Vortex bid and were, therefore, not timely. Because of this, the protest was rejected with an explanation that it was not timely and returned to Staite. Mr. Taylor said that the Vortex bid had been responsive and further clarified that the subsequent materials submitted to the Board by Staite were comprised of their original July 29 protest letter and copies of some of the pages from the other three submitted bids related to their Disadvantaged Business Enterprise (DBE) efforts. He said that, after review, the materials did not change WETA's view that the Vortex bid was responsive. Director Intintoli thanked Mr. Taylor for the clarification.

Ms. Rannells asked Mr. Taylor to clarify the procedure to protest after award, and Mr. Taylor explained that after a contract had been awarded, a protest could be accepted from anyone who had submitted a bid for the contract. He explained that the protesting bidder would have three business days to submit a protest which would then be reviewed and considered by the Executive Director who, if so decided, would either make a decision independently about the protest's concerns or convene a review board of experts to consider the protest and make a recommendation to her regarding the matter, on which she would still make the final decision.

The Directors temporarily paused the meeting to allow the Directors to review Staite materials. Chair Breckenridge then asked if the Directors had any questions or comments and Director Intintoli asked how long the work might be delayed if there was a protest made once the contract had been awarded. Mr. Taylor said WETA could process any protests on the project within a few days at most; however, if an appeal were to be made to the FTA, the process could jeopardize the dredge window which had already opened in August and was presently running through October 15.

Director Donovan requested and received confirmation that the initial protest filed July 29 was rejected because it did not meet the protest requirements for that phase of the procurement process of a timely protest. Ms. Rannells further clarified that once the contract had been awarded, that the previously rejected protest would then be timely if resubmitted.

Chair Breckenridge asked if there were any public questions or discussion items related to this item and there were none. She then reviewed the item in detail again, emphasizing that it had three components; contract award to Vortex, authorization for the Executive Director to negotiate and enter into a contract, and a budget increase. She asked if the Directors had any objections to the inclusion of all three components of the item and none were offered.

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. Absent: DelBono.

#### **8. AUTHORIZE SERVICE ENHANCEMENTS TO ADDRESS CAPACITY SHORTFALLS ON SAN FRANCISCO BAY FERRY SERVICES**

Ms. Rannells introduced this item to authorize three actions related to the implementation of service enhancements to help address capacity shortfalls experienced on San Francisco Bay Ferry service. Director Intintoli noted that he understood the items would help address the capacity issues and asked if the items being presented were already being done to help mitigate capacity shortfalls. Ms. Rannells confirmed that they were and explained that staff regularly made service adjustments to address vessel issues or to address surges in demand but that this summer meeting ridership demands had been especially challenging due to unprecedented ridership loads. She further shared a visual presentation on the increased ridership over the last three years which illustrated an 80% increase in ridership on the Alameda/Oakland service, a 48% increase in Vallejo, a 58% increase in Harbor Bay service and a 244% increase on the South San Francisco service.

Chair Breckenridge asked about the status of the South San Francisco farebox recovery discussions with MTC. Ms. Rannells explained that the most recent report submitted to the Commission in the spring requested more time to meet the desired farebox recovery objective which was acknowledged by MTC. Chair Breckenridge said there were new pressures now to meet those objectives and Ms. Rannells agreed.

Director Donovan asked if the midday service and schedule adjustments made to the South San Francisco service a year or two ago had been helpful. Ms. Rannells said those changes had not hurt the numbers, and Mr. Stahnke clarified that the most substantial gains in ridership numbers were coming from the peak commute runs. Ms. Rannells further explained that the smallest capacity, 149 passenger vessels were currently being used on the South San Francisco service and that even these would reach capacity if ridership continued to increase at current rates.

Ms. Rannells went on to explain that the capacity challenges had been ongoing throughout the summer, most remarkably with surges that began in June on the Vallejo and Oakland/Alameda service. She said staff received a petition on July 22 which had been signed by 275 Vallejo riders requesting expanded service in the form of more departures, larger vessels, backup buses, and better communication with the public.

Ms. Rannells explained that backup buses were currently being utilized when possible to address overcrowding, most often at the Ferry Building for Vallejo riders on days there were daytime San Francisco Giants games at AT&T Park. Chair Breckenridge asked what would happen if the Giants made the playoffs and what would happen to service in the spring in the context of the current fiscal

year budget. She requested confirmation that the proposed changes would suffice to support ridership on possible future special AT&T Park service runs during the rest of this year, as well as next spring's games. She further requested confirmation that the proposed changes would support enough service to meet demand given that numerous vessels in the fleet would be going out of service for maintenance later this year.

Ms. Rannells explained that the important points raised in Chair Breckenridge's questions were driving factors in the decision to propose the increased service levels only through October 30 of this year. She emphasized that until the new vessels currently under construction are delivered and in full service that the 199 passenger spare vessel proposed to be used for this increased service will need to be returned to backup service for times other vessels are in dry dock, have temporary mechanical failure or are out of service for maintenance or refurbishment. She said that this was especially critical this winter when vessels are scheduled for dry dock and periodic maintenance.

Ms. Rannells further explained that the \$825,000 budget increase to support the expanded service was proposed to come from Regional Measure 1 - 5% Bridge Toll Funds (RM1) available to WETA to be used for operations or capital purposes. She added that it would be important to have a discussion with MTC about funding to support and sustain expanded service beyond the fall, which would require more Regional Measure 2 (RM2) money. Chair Breckenridge expressed concern over utilizing RM1 funds to pay for expanded services, noting her concern that these funds would not then be available for use in the case of unexpected needs or a catastrophic incident.

Ms. Rannells reiterated the plan to approach MTC with a request to escalate RM2 funds, similar to funds provided by MTC to other Bay Area transit operators such as the Solano Transportation Authority earlier this year, to support the expanded services that would be developed for reinstatement next spring/summer.

Chair Breckenridge suggested that all true operating costs should be delivered to MTC and that RM1 reserves should remain in reserve for emergencies and unexpected costs, for the full year of expanded services. Ms. Rannells indicated that she understood and that staff would approach MTC to have a comprehensive conversation about the need for expanded services and to have this service funded with RM2 funds to allow RM1 funds to remain in reserve to support unexpected and emergency operating needs and services.

Director Intintoli said he had been left behind twice when ferries were at capacity in Vallejo and emphasized that backup buses need to be in service to support capacity challenges on that service. He said he once asked a bus driver when the next bus would arrive, after he had been left behind, and the driver didn't know. He asked that staff have more conversations with SolTrans about providing backup buses for Vallejo riders who are not able to get onto full vessels. Ms. Rannells explained that SolTrans and their contract operator had increasingly been unable or unwilling to respond to WETA requests for extra buses for use when vessels were out of service or when large crowds were anticipated, leaving WETA to utilize private buses/drivers which were much more expensive and introduced an undesirable level of complexity for riders and WETA/Blue & Gold staff due to the changeability of operating equipment and the lack of Clipper fare collection equipment. She reminded the Board that prior to WETA taking over the Vallejo ferry service, the City of Vallejo ran both the ferry and bus system. Under this system, the City staff would regularly flex buses to cover the ferry system when needed due to vessel outages or in order to meet surges in demand. She indicated that when WETA took over the ferries, buses utilized for Route 200 and backup to the ferry service were transferred by the City of Vallejo to SolTrans – the new bi-city entity charged with managing the combined Vallejo and Benicia bus services and that WETA developed an operating agreement with SolTrans for the provision of Route 200 and backup bus services similar to what was historically provided when the City of Vallejo managed both systems. She further explained that, due to

unresponsiveness, WETA had recently been forced to secure private buses to meet most of its backup bus service needs. Director Intintoli noted his concern that services are not being provided and said he doesn't want to begin losing riders as a result of capacity challenges on the Vallejo service.

Director Intintoli suggested that the entity to approach about the problem would be the Solano Transportation Authority which is comprised of all of the Solano County mayors and representatives from the county board of supervisors. He said that since the ferry and bus service is meeting the community's needs, they would have a keen interest in resolving the challenges of receiving requested backup bus service from SolTrans and its contract operator.

Ms. Rannells said she had already met with Daryl Halls, Executive Director of Solano Transportation Authority (STA) and Mona Babauta, Executive Director of Solano County Transit (SolTrans), about buses and backup bus service and that she would continue pursuing a resolution to the current challenges with them. She suggested that one of the reasons contractor bus operators may not be able to provide the services requested may be simply be lack of buses and/or drivers. She also noted that when utilizing outside operators, new challenges in the recent past have included drivers unfamiliar with routes, buses not showing up, and no method to process Clipper cards for riders.

Mr. Stahnke explained that another challenge with supplementing capacity challenges on the vessels with backup buses is that many riders who get left behind choose to wait and take the next ferry rather than getting on the provided backup buses which does not serve to alleviate the capacity challenges on subsequent departures. He noted that contracted backup buses often end up carrying only a few riders and further noted that he was informed last week that backup standby bus service contracted in previous years with SolTrans would no longer be provided.

Director Donovan asked about the differences in travel time between riding the ferry home from San Francisco to Vallejo and riding a backup bus. Staff noted that the ride home on the bus generally takes longer than the hour long ferry ride because of traffic congestion.

Chair Breckenridge asked for clarity on how the expanded service will be communicated to riders and the public. Manager of Public Information and Marketing Ernest Sanchez explained that there would be a multi-pronged approach to the communication including Bay Alerts messages, Captain's announcements on the vessels and flyers available on the vessels for riders to pick up. He said information would also be posted on the dock signs at the terminal in Vallejo and in the upcoming WETA newsletter.

Ms. Rannells explained that the main reason to commit to the expanded service through October 30 is that this is when the winter schedule would go into effect which would be different than the summer schedule and that riders would be expecting those changes.

Chair Breckenridge asked whether there would be a backup vessel if there were to be an unexpected mechanical failure during the expanded service offering. Mr. Stahnke said yes; there would be two other possible backup vessels available.

Chair Breckenridge asked if there were any public questions or comments about the item and there were none. She then asked if the Directors would like to make a motion to amend the item to limit the authorized budget increase to only cover the cost of increased services through October 30, and to direct staff to seek an MTC commitment of increased RM2 funds to cover a full year of enhanced service levels beginning with the Spring/Summer 2016 schedule.

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

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

**9. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS**

Charlie Bogue from Wind + Wing Technologies shared information about general costs and solutions for alternative wind energy opportunities and asked that the Directors continue to consider alternative energy opportunities and technologies when constructing future new vessels. He thanked the Directors for past interest and support of the Wind + Wing prototype and for the opportunity to speak to them again. He said he hoped to work with WETA again in the future. Chair Breckenridge asked when Mr. Bogue expected the first Coast Guard design review completion and he said that was expected in about two months. He noted that the first vessel built will most likely have a capacity of 149 passengers. Director Donovan asked if there were any differences in manning a diesel vessel versus a green vessel. Chair Breckenridge noted that in the near term, there is not likely to be any difference in manning requirements but that once the technology is fully tested, trusted and in use, that may be a possibility for consideration. Mr. Bogue concurred and also noted that wind technology would ultimately save money on the operations side of service. Chair Breckenridge thanked Mr. Bogue for attending the meeting and for the update on the progress being made by Wind + Wing Technologies.

Jerry Bellows of the Maritime Administration noted that one of their ships would be used for the Mayor's press conference during fleet week on October 5. He invited the Directors to attend. Chair Breckenridge noted that the DSCA exercise would be taking place that day as well to test the Department of Defense moving from the East Bay into San Francisco. She emphasized that this particular exercise had never been done before and would be groundbreaking for emergency response. She thanked Mr. Bellows for attending and sharing the information.

Chair Breckenridge reminded the Directors that Fleet Week would take place in October. She reviewed the rehearsal schedule for the Parade of Ships and the Blue Angels Air show and noted that many school systems had been invited for the Friday activities. She noted that most Coast Guard and Navy events will be taking place at Pier 80 because of the number of cruise ships coming into port at the same time and suggested a visit to the Fleet Week website to get further details on the activities which she encouraged everyone to attend.

Chair Breckenridge asked if there were any further public comments or questions and there were none.

**10. ADJOURNMENT**

All business having concluded, the meeting was adjourned at 2:19 p.m.

Respectfully Submitted,

Board Secretary

**MEMORANDUM**

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**TO: Board Members**

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

**SUBJECT: Approve On-Call Planning, Marine Engineering and Professional Services List and Contracts**

**Recommendation**

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

- Approve a list of on-call planning, marine engineering and professional services consultants, to be valid for up to five years; and
- Authorize the Executive Director to negotiate and execute individual agreements with these consultants on an as-needed basis in an amount not to exceed \$150,000 per agreement per year.

**Background**

WETA's current work program consists of projects to maintain and expand water transit on the San Francisco Bay. The management of these projects requires a wide range of specialized knowledge and skills that are often needed in uneven and intermittent intervals and on short notice. In 2010, WETA initiated the practice of establishing lists of pre-qualified consultants to utilize as-needed to provide specialized and ongoing consulting services to assist staff in delivering one-time and periodic work in the areas of planning, marine engineering, communications and technical support. The on-call contracts awarded in 2010 were valid for five years and expire this year. Contracting with consultants to provide on-call services allows full time WETA staff to access specialized consulting services to effectively manage peak workloads and ensure the continuous development of all active projects in the WETA work program. The provision of these services is intended to complement existing staff resources as additional staffing capacities and specific areas of expertise are needed.

**Discussion**

On May 7, 2015, the Board authorized release of a Request for Qualifications (RFQ) for On-Call Planning, Marine Engineering and Professional Services (RFQ# 15-017). On June 9, 2015, staff issued an RFQ to over 1,200 RFQ notices firms and interested parties on the WETA's technical consultant list through email and further solicited interest through notices on the WETA website seeking qualified consultants to provide on-call planning, marine engineering and professional services.

On July 17, 2015, WETA received a total of thirty seven (37) Statements of Qualification (SOQs) in response to the RFQ from the following firms:

AECOM	Glosten
Art Anderson Associates	H.T. Harvey & Associates
ARUP	Haley & Aldrich, Inc.
Atkins North America	HMS Consulting and Technical, LLC

Aurora Marine Design	Jensen Maritime Consultants Inc.
BlinkTag, Inc.	KPFF
BMT Designers & Planners, Inc.	Liftech Consultants Inc.
Cambridge Systematics, Inc.	LSA Associates, Inc.
CDM Smith	Moffatt & Nichol
CH2M	Napa Design Partners
CHS Consulting Group	Northern Economics, Inc.
Civilian Inc.	Olofson Environmental, Inc.
CLE Engineering, Inc.	Panorama Environmental, Inc.
COWI Marine North America	PublicTransit.us
Dudek	Rutherford + Chekene
Elliott Bay Design Group	Walther Engineering Services
ESA	Wilshire Consulting
GHD, Inc.	WRA, Inc.
Ghirardelli Associates, Inc.	

WETA staff reviewed the SOQs and evaluated each Offeror's qualifications based upon the criteria established in the RFQ including proposed approach, qualifications of proposed staff, staffing capacity and the range of services offered. Staff also reviewed each SOQ to ensure that the submittals were responsive to all requirements outlined in the RFQ.

All Offerors demonstrated qualifications, experience and staffing capacity to provide a wide range of highly specialized services. In addition, all of the SOQs received were responsive to the RFQ. Due to the number of submittals received and the wide range of different services proposed, staff did not score or rank the SOQs.

Staff has concluded that all thirty seven (37) firms that submitted SOQs are qualified to provide services as identified in the RFQ. Staff recommends selecting each of the qualified firms to be included in an on-call list of consultants for planning, marine engineering and professional services to be utilized for a period of up to five years.

On-call services would be acquired as needed and actual expenditures would be authorized on a task order basis within established annual budget limits. Selection for the on-call list and contract award does not guarantee work to any consulting firm. When actual work is identified, WETA staff may select one or multiple firms to prepare proposals and cost estimates for the work. When multiple firms are selected to submit proposals, WETA staff will evaluate and score technical proposals, qualifications, staffing plans, and costs estimates at that time. Professional services contracts and task orders will be executed when actual tasks are authorized.

**Fiscal Impact**

Funding for on-call planning, marine engineering and professional services is included in the proposed FY 2015/2016 operating budget and will also be included in future year budgets to support needed work that would be completed under this award authority. Task order work in any given year will not exceed budgeted funds.

\*\*\*END\*\*\*



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

**RESOLUTION NO. 2015-23**

**APPROVE LIST OF ON-CALL CONSULTANTS AND AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AGREEMENT(S)**

**WHEREAS**, the WETA Board of Directors authorized the release of a Request for Qualifications for service description for on-call planning, marine engineering and professional services at its May 7, 2015 meeting; and

**WHEREAS**, the WETA seeks to enter into an agreement(s) to acquire on-call planning, marine engineering and professional services; and

**WHEREAS**, the WETA has established procedures in its Administrative Code relating to the selection and contracting of consulting services, solicitation, and evaluation of qualifications; and

**WHEREAS**, the WETA staff has followed these procedures in soliciting and reviewing bids, and has developed a recommendation for award of these services with actual expenditures authorized on a Task Order basis; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby approves the following list of consulting firms to provide on-call planning, marine engineering and professional services and authorizes the Executive Director to negotiate and execute individual agreement(s) on an as-needed, task order basis in an amount not to exceed \$150,000 per agreement per year for a term of five (5) years:

AECOM	Glosten
Art Anderson Associates	H.T. Harvey & Associates
ARUP	Haley & Aldrich, Inc.
Atkins North America	HMS Consulting and Technical, LLC
Aurora Marine Design	Jensen Maritime Consultants Inc.
BlinkTag, Inc.	KPFF
BMT Designers & Planners, Inc.	Liftech Consultants Inc.
Cambridge Systematics, Inc.	LSA Associates, Inc.
CDM Smith	Moffatt & Nichol
CH2M	Napa Design Partners
CHS Consulting Group	Northern Economics, Inc.
Civilian Inc.	Olofson Environmental, Inc.
CLE Engineering, Inc.	Panorama Environmental, Inc.
COWI Marine North America	PublicTransit.us
Dudek	Rutherford + Chekene
Elliott Bay Design Group	Walther Engineering Services
ESA	Wilshire Consulting
GHD, Inc.	WRA, Inc.
Ghirardelli Associates, Inc.	

## **CERTIFICATION**

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 3, 2015.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2015-23

\*\*\*END\*\*\*

MEMORANDUM

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**TO: Board Members**

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

**SUBJECT: Approve a Sole Source Contract with Marine Jet Power AB for Waterjet Subcomponent Replacement Parts on *Intintoli***

**Recommendation**

Approve a sole source contract with Marine Jet Power AB (MJP) for waterjet subcomponent replacement parts on *Intintoli* and authorize the Executive Director to negotiate and execute an agreement for this work in an amount not to exceed \$477,000.

**Background/Discussion**

The port and starboard waterjets on the ferry *Intintoli* have been in service since 1997 with approximately 54,000 hours of use and are in need of upgrades in order to ensure safe, efficient, and reliable service through the remainder of the vessel's economic life. The scope of work required at this time includes procurement of the following MJP 750 Mk II waterjet subcomponents:

- Hub units
- Drive shafts
- Impeller housings
- Steering units
- Steering cylinders
- Impellers
- Extension rings
- Bearing units

The pricing includes engineering support and shipping. A contingency of 10% is included in the project budget in the event any unexpected adverse conditions are found.

**Sole Source Discussion**

Staff is recommending a sole source contract for this procurement in order to address the need to utilize MJP factory parts as no other manufacturer's waterjets parts can be integrated into the existing waterjets installed on the vessel. Given the costs involved, using OEM factory parts significantly reduces financial risk to the Authority.

Since we are not replacing the entire waterjet assembly, rather only certain high wear subcomponents, using any another source for these parts is not a viable alternative.

MJP has been supporting the repair and maintenance of these waterjets since the vessel was first delivered in 1997. These upgrades will improve overall vessel reliability and will reduce operating maintenance costs.

Staff has reviewed the price quote provided by MJP for this work and has determined that it is fair and reasonable given the pricing for all new waterjets. These subcomponents will be installed in the vessel by a shipyard to be determined through a competitive RFP process.

In accordance with the above analysis, staff has determined that this procurement meets the requirements for a sole source procurement under federal regulations and as set forth in the WETA's Administrative Code Section 502.2(E), which authorizes the agency to procure goods and services without competition under limited circumstances. Subdivision (E) of this provision allows the agency to procure items non-competitively when there is only a single source of supply available. Because MJP is uniquely able to provide and warranty the necessary parts, a competitive bidding process would serve no useful purpose for this procurement.

**Fiscal Impact**

The *Intintoli* Major Component and Waterjet Rehabilitation project is included in the FY 2015/16 Capital Budget at a total cost of \$2,860,000. The project is funded with Federal Transit Administration (FTA) grant funds and Regional Measure 1 – 2% Reserve (RM1 – 2%) funds. Sufficient funds are available in the project budget to support the award of this contract.

\*\*\*END\*\*\*

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

**RESOLUTION NO. 2015-24**

**APPROVE A SOLE SOURCE CONTRACT WITH MARINE JET POWER AB FOR WATERJET SUBCOMPONENT REPLACEMENT PARTS ON INTINTOLI AND AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE THE AGREEMENT**

**WHEREAS**, WETA staff has identified the need to overhaul of the *Intintoli* waterjet propulsion system; and

**WHEREAS**, WETA staff has determined that Marine Jet Power AB is the sole factory dealership for the sales and parts of MJP 750 Mk II waterjets; and

**WHEREAS**, WETA staff has identified Marine Jet Power AB as being both responsive and responsible in the provision of services; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby approves entering into a sole source agreement with Marine Jet Power AB for waterjet subcomponent replacement parts for a not-to-exceed amount of \$477,000, and authorizes the Executive Director to negotiate and execute the agreement.

**CERTIFICATION**

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 3, 2015.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2015-24

\*\*\*END\*\*\*

MEMORANDUM

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**TO:** Board Members

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

**SUBJECT:** Approve a Sole Source Contract with ZF Marine LLC for Reduction Gear Subcomponent Parts Replacement on *Intintoli*

**Recommendation**

Approve a sole source contract with ZF Marine LLC (ZF) for reduction gear subcomponent parts replacement on *Intintoli* and authorize the Executive Director to negotiate and execute an agreement for this work in an amount not to exceed \$196,000.

**Background/Discussion**

The port and starboard waterjets on the ferry *Intintoli* have been in service since 1997 with approximately 54,000 hours of use and are in need of upgrades in order to ensure safe, efficient, and reliable service through the remainder of the vessel's economic life. The scope of work required at this time includes replacement of the reduction gear subcomponents in support of the waterjet upgrades to occur on the vessel. Parts to be procured are as follows:

- Gear subcomponents at ratio of 2.037:1
- Non-reversing
- Free-standing
- Counter engine rotation
- Sensor kits
- Mounting kits
- Gear oil coolers

The pricing includes engineering support and shipping. A contingency of 15% is included in the project budget in the event any unexpected adverse conditions are found.

**Sole Source Discussion**

Staff is recommending a sole source contract for this procurement in order to address the need to utilize ZF factory parts as no other manufacturer's gear parts can be integrated into the existing propulsion drive train as installed on the vessel. Given the costs involved, using OEM factory parts significantly reduces financial risk to the Authority.

Since we are not replacing the entire propulsion drive train, rather only certain high wear subcomponents, using any another source for these parts is not a viable alternative. The dimensional constraints of existing and retained machinery components dictate that ZF parts be used. The waterjet upgrade to MJP 750 Mk II impellers also triggers a necessary change to the reduction gear ratio in order to optimize propulsion efficiency.

ZF has been supporting the repair and maintenance of these waterjets since the vessel was first delivered in 1997. These upgrades will improve overall vessel reliability and will reduce operating maintenance costs.

Staff has reviewed the price quote provided by ZF for this work and has determined that it is fair and reasonable given the pricing for all new reduction gears. These subcomponents will be installed in the vessel by a shipyard to be determined through a competitive RFP process.

In accordance with the above analysis, staff has determined that this procurement meets the requirements for a sole source procurement under federal regulations and as set forth in the WETA's Administrative Code Section 502.2(E), which authorizes the agency to procure goods and services without competition under limited circumstances. Subdivision (E) of this provision allows the agency to procure items non-competitively when there is only a single source of supply available. Because ZF is uniquely able to provide and warranty the necessary parts, a competitive bidding process would serve no useful purpose for this procurement.

**Fiscal Impact**

The *Intintoli* Major Component and Waterjet Rehabilitation project is included in the FY 2015/16 Capital Budget at a total cost of \$2,860,000. The project is funded with Federal Transit Administration (FTA) grant funds and Regional Measure 1 – 2% Reserve (RM1 – 2%) funds. Sufficient funds are available in the project budget to support the award of this contract.

\*\*\*END\*\*\*

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

**RESOLUTION NO. 2015-25**

**APPROVE A SOLE SOURCE CONTRACT WITH ZF MARINE LLC FOR REDUCTION GEAR SUBCOMPONENT PARTS REPLACEMENT AND AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE THE AGREEMENT**

**WHEREAS**, WETA staff has identified the need to overhaul of the *Intintoli* marine transmissions; and

**WHEREAS**, WETA staff has determined that ZF Marine LLC is the sole factory authorized dealership for the sales, parts and service of ZF gearboxes for the West Coast region; and

**WHEREAS**, WETA staff has identified ZF Marine LLC as being both responsive and responsible in the provision of services; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby approves entering into a sole source agreement with ZF Marine LLC for reduction gear subcomponent parts replacement for a not-to-exceed amount of \$196,000, and authorizes the Executive Director to negotiate and execute the agreement.

**CERTIFICATION**

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 3, 2015.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2015-25

\*\*\*END\*\*\*



**MEMORANDUM**

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**TO: Board Members**

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

**SUBJECT: Approve Corrective Action Plan for South San Francisco Ferry Service for Submittal to the Metropolitan Transportation Commission**

**Recommendation**

Approve a Corrective Action Plan for South San Francisco ferry service for submittal to the Metropolitan Transportation Commission (MTC), as required.

**Background**

The Water Emergency Transportation Authority (WETA) launched its service from the east bay cities of Oakland and Alameda to South San Francisco in July 2012. Capital funding for the South San Francisco ferry terminal and new vessels came from a combination of sources including the Federal Transit Administration, State Proposition 1B, Regional Measure 2 and local San Mateo County Transportation Authority transportation sales tax funds. Operating funds come from passenger fares and Regional Measure 2 funds administered and allocated annually by the Metropolitan Transportation Commission (MTC).

Regional performance measures for Regional Measure 2 (RM2) operating funds adopted by MTC include both a farebox recovery requirement and a requirement that services maintain a positive change in passengers per revenue vehicle hour over a three-year period. New services utilizing RM2 operating funds are given a two-year ramp up period and are expected to achieve threshold farebox recovery rates by the third year of operation.

MTC's adopted farebox requirements, organized by mode and time period of service, are as follows:

**Table 1.0 MTC Performance Measure Thresholds, Regional Measure 2 Projects**

<b>Service Type</b>	<b>Ferry</b>	<b>Rail</b>	<b>Bus</b>
<b>Peak Service</b>	40%	35%	30%
<b>All Day Service</b>	30%	25%	20%
<b>Owl Service</b>	N/A	N/A	10%

If a service does not meet the above threshold by the third year of operation, the operator is required to submit a Corrective Action Plan to MTC. MTC staff has recently requested WETA to submit a Corrective Action Plan for the South San Francisco service for Commission consideration, which is the subject of this item.

### **Discussion**

The South San Francisco Ferry service operates during commute hours, alleviating congestion on the region's roadways and bridges. There are three morning and three return evening departures during the weekday commute period. There is also limited midday service between South San Francisco and the San Francisco Ferry Building. Free shuttles operated by South San Francisco employers and the San Mateo Commuter's Alliance meet every arrival and departure, linking the ferry terminal to destination employment sites. Ridership has grown steadily since the beginning of operations, rising from an average of 141 boardings per weekday in July 2012 to 485 by July 2015, resulting in a positive change in passengers per revenue vehicle hour over the initial three years of operation. Farebox recovery – the portion of operating cost covered by fare revenue -- has also increased from a low of 9% in the initial months to 21% for Fiscal Year 2014/15.

Strategies to attract more riders to the service have been developed and implemented by WETA staff and project partners in an effort to meet Metropolitan Transportation Commission (MTC) criteria for new projects receiving Regional Measure 2 operating funds, which state that commute-period ferry services must achieve a 40 percent farebox recovery ratio by the third year of operation. After an initial operating period with three AM and two PM peak departures, the WETA Board authorized a pilot program that added a third evening departure. Average weekday ridership increased 126% in the first 12 months after that schedule enhancement and 140% overall.

In addition to service enhancements, marketing efforts have been enhanced to promote the service and raise awareness among Oakland and Alameda residents as well as South San Francisco employers and employees. Because 68% of recent survey respondents among South San Francisco area employment sites said they learn about transit options from their employer, the marketing program is centered on outreach to area employers and their employee transportation coordinators. Midday events, evening mixers, appearances at on-site information sessions and new employee flyers and information packets are just some of the marketing efforts that have occurred. Ridership gains, which were 84% after the first year of operations, 41% the second year and 26% in year three have reinforced the direction of the marketing strategy and approach.

Due to the 45 minute crossing time of the route, the South San Francisco ferry service requires two vessels and more than two daily crews to provide the minimum level of service needed to provide commuters with flexibility and choice in departure times. As a result, expenses are higher than comparable commute-only services, such as Harbor Bay. In order to contain expenses, staff has developed strategies that reduce costs while maintaining service. For example, a crew-sharing arrangement with WETA's contract operator, Blue & Gold Fleet, means that labor hours are less than if there were four full-time crews dedicated to the service. In addition, use of "deadhead" trips where the vessel is returning to fuel and drop off crew in San Francisco as revenue service generates modest fare revenue to offset costs. Finally, by re-aligning evening service, WETA was able to share an evening South San Francisco crew with Harbor Bay, addressing a critical capacity shortfall on the evening commute for Harbor Bay and reducing South San Francisco expenses.

The South San Francisco service is alleviating transbay auto congestion and serving as a catalyst for development in South San Francisco's Oyster Point business district. Forty one percent of South San Francisco Ferry riders said in a 2014 survey that if the ferry did not exist they would drive alone to work. Another 35% said they would either carpool or take a bus. Slightly more than a quarter (27%) of the South San Francisco riders leave their cars at home and take a bike to the ferry and their ultimate destination. So the service is reducing congestion on the Bay Bridge and its approaches, as well as taking cars off the road. In

addition, office and commercial development in the Oyster Point area of South San Francisco is very strong: the City of South San Francisco Planning Department estimates close to 2.4 million square feet of new office space is under construction or in final permitting and will be open by 2018. Part of the attraction of Oyster Point is the presence of regional transit such as Caltrain and San Francisco Bay Ferry services.

Based on internal forecasts of South San Francisco ferry service ridership and expenses, it is estimated that the South San Francisco service will achieving a 40% farebox recovery by Year 9 (2021). This “ramp up” period is consistent with the Harbor Bay commute-only ferry service, which achieved 40% farebox recovery in Year 14, after the buildout of the Harbor Bay community was complete. In addition estimates for the upcoming Richmond and Treasure Island services indicate a ramp-up period of close to 10 years before they reach a 40% farebox recovery rate. The WETA System Expansion Policy, adopted by the WETA Board in June 2015, provides for a ramp-up period of 10 years when WETA introduces a new service.

The attached South San Francisco Ferry Service Corrective Action Plan will be submitted to MTC, as requested, in advance of the October Commission meeting.

**Fiscal Impact**

There is no fiscal impact associated with this item.

\*\*\*END\*\*\*

## MEMORANDUM

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**TO: Metropolitan Transportation Commission**

**FROM: Water Emergency Transportation Authority Board of Directors**

**DATE: September 3, 2015**

**SUBJECT: South San Francisco Ferry Service Corrective Action Plan**

### **Background**

This document is submitted in response to the Metropolitan Transportation Commission (MTC) staff requests for a Corrective Action Plan for the South San Francisco ferry service. This new service route within WETA's operating system has not reached a 40% farebox recovery ratio, as MTC requires for peak period ferry services.

### **Correction Action Plan**

The Corrective Action Plan focuses on building ridership through program marketing, promotions and service enhancements, creating cost efficiencies, and working with MTC to develop reasonable performance criteria upon which to measure service success and related regional funding eligibility.

The following measures will be undertaken to support continued ridership growth and improve South San Francisco Ferry service performance as measured by MTC:

#### *Continue to Grow Ridership*

##### **1. Monitor Continued Ridership Growth and Adjust Service Accordingly**

Ridership has grown steadily every month since December 2012, eclipsing estimates in the project planning phase. Currently, average weekday boardings total 485 for July 2015, up from 141 in July 2012, more than tripling since inception. Overall WETA system ridership has grown 42% during this same period (see attached South San Francisco and WETA system average daily ridership charts). Ridership has tracked with the rate of new hiring along with new office construction in South San Francisco. In addition, a strong residential housing market in both Alameda and Oakland contributes to ridership growth. WETA will continue to monitor ridership growth and coinciding area development and make service adjustments that may be required as the result of anticipated growth.

##### **2. Continue Outreach to South San Francisco Area Employers**

Close to 68% of a recent survey of South San Francisco ferry riders said they learned of the ferry through their employer. South San Francisco employers employ transportation coordinators that assist new and existing employees in an effort to reduce traffic congestion on local streets and roads. Firms such as Genentech should be commended for also fully subsidizing their employee's fares. Future direct marketing and promotional efforts include open houses and lunchtime cruises on the bay for employer representatives.

**3. Encourage Modification and Expansion of Shuttle Program**

The shuttle program operated by the San Mateo Commuters Alliance provides very good service by meeting every arrival and departure and serving most of the area's businesses. However, it can be improved by offering faster more efficient service and potentially expanding its reach beyond the Oyster Point vicinity. WETA will work with shuttle operators to provide service planning ideas and suggestions for service improvements.

*Continue to Identify Cost Efficiencies*

**4. Continue Midday Excursion Trips to San Francisco**

WETA introduced service between South San Francisco and San Francisco in 2014 to make use of deadhead (non-revenue) trips and open them to recreational travelers from the south bay. While ridership on these trips is modest, fare revenues gained have helped to offset the overall cost of operations. WETA will work to continue to operate and promote this local community component of the service.

**5. Interline Crews and Vessels to Maximize Vessel and Crew Utilization**

The practice of "interlining" – using crews and vessels dedicated to one service on other services to distribute costs and create efficiencies has not historically been used in the ferry system but is emerging as a means of better utilizing equipment and labor. For South San Francisco, sharing crews with Blue & Gold service provides a savings of over 50 percent on two of the four crews needed for South San Francisco. Also, WETA recently adjusted the South San Francisco evening schedule in such a way to allow the crew to supplement Harbor Bay service in order to address increased demand and high passenger loads on this service. This action provided needed capacity to Harbor Bay and redistributed cost away from South San Francisco. WETA will continue to work to interline crews, when possible and beneficial, to most efficiently serve its system-wide ridership demand and maximize the cost-effectiveness of the South San Francisco route and overall operating system.

*Develop Reasonable and Realistic Performance Objectives*

**6. Work with MTC to Review System-wide Performance of WETA's Ferry Program**

Regional Measure 2, approved by Bay Area voters in 2004, provided a launching point for the long-discussed concept of increased ferry services on the San Francisco Bay. Since RM2 was approved, the Water Transit Authority/Water Emergency Transportation Authority has worked to develop a program of potential new ferry routes, consolidated city-run ferry services from Alameda, Oakland and Vallejo into a single regional system, consolidated contract operations, developed system operations and maintenance infrastructure, developed a project to expand ferry access to downtown San Francisco, built four new ferry vessels for service delivery and initiated new ferry service to South San Francisco service. Since 2012, when WETA first became an operator, WETA's regional ferry system ridership has grown 42% and system-wide farebox recovery has increased, reaching 52% in FY 2014/15.

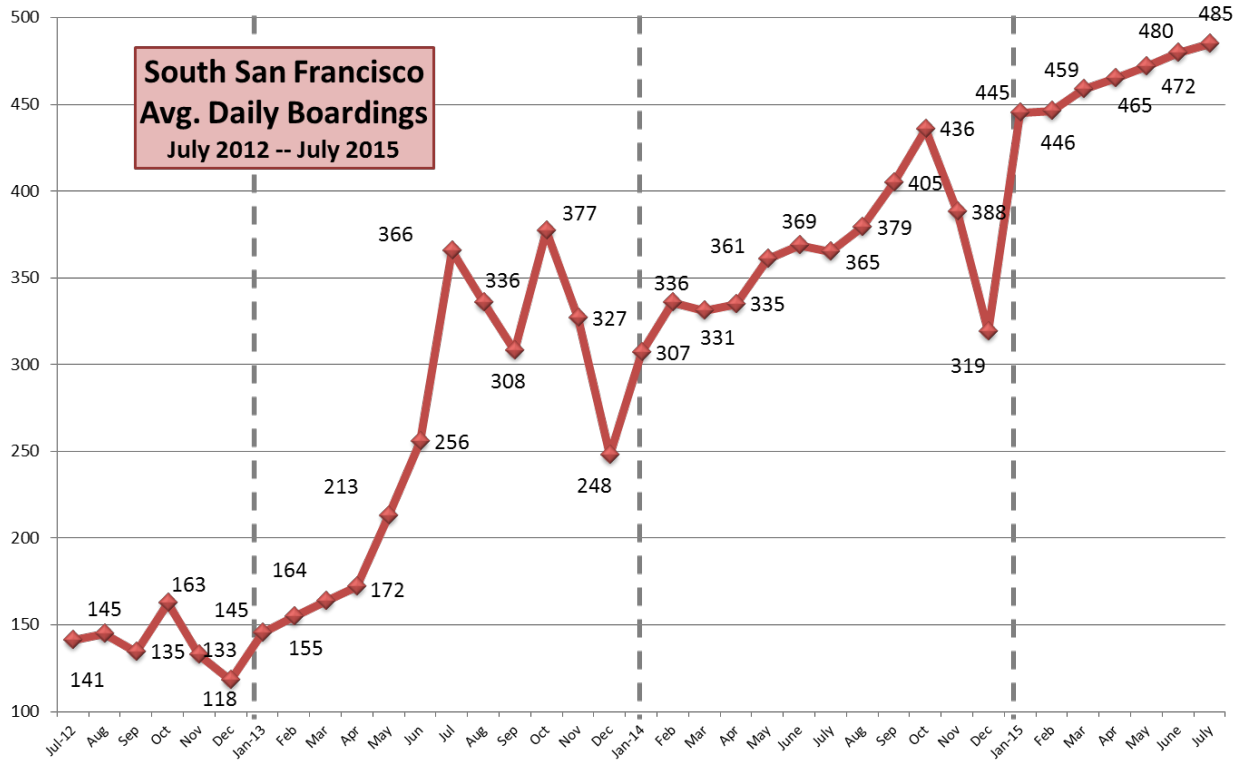
Regional performance measures for Regional Measure 2 (RM2) operating funds, which vary by mode, hold ferry operations to a higher standard than any other mode of transit service and are being administered on a route-by-route basis for WETA's operating program rather than on a system-wide basis. These ferry performance measures, which apply exclusively to WETA services, were developed before WETA was an operator, and when new services were in the conceptual planning stage.

Additionally, they were developed before WETA was directed by the State Legislature in 2007 to take over and consolidate local city-run Alameda, Oakland, and Vallejo ferry services into a regional system and to serve as the coordinating agency for the waterborne ferry transportation response in an emergency.

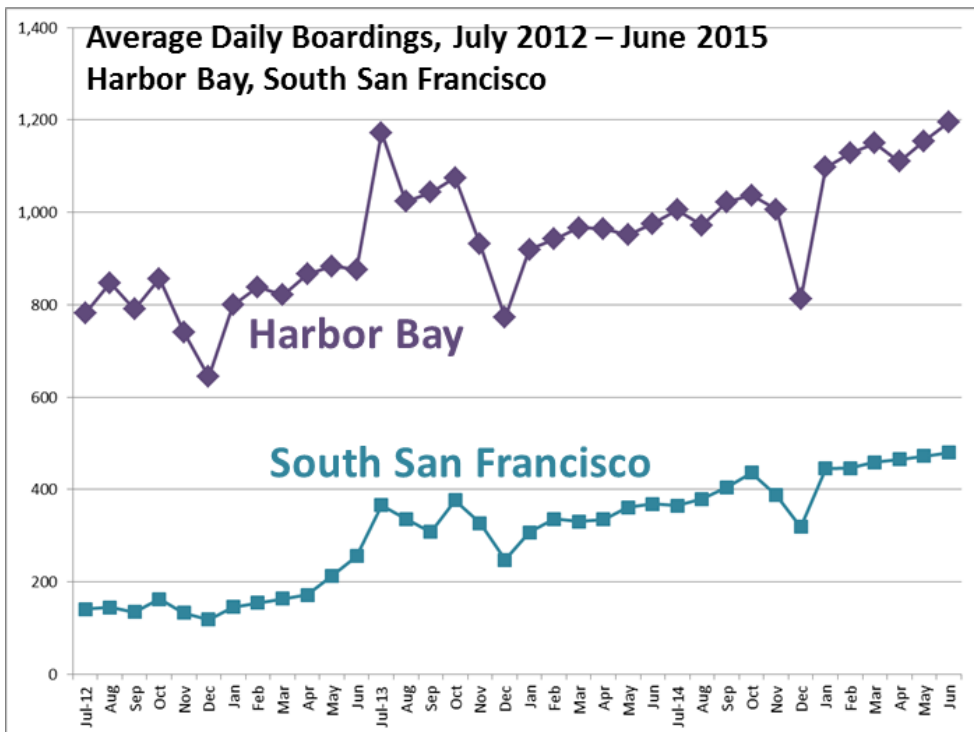
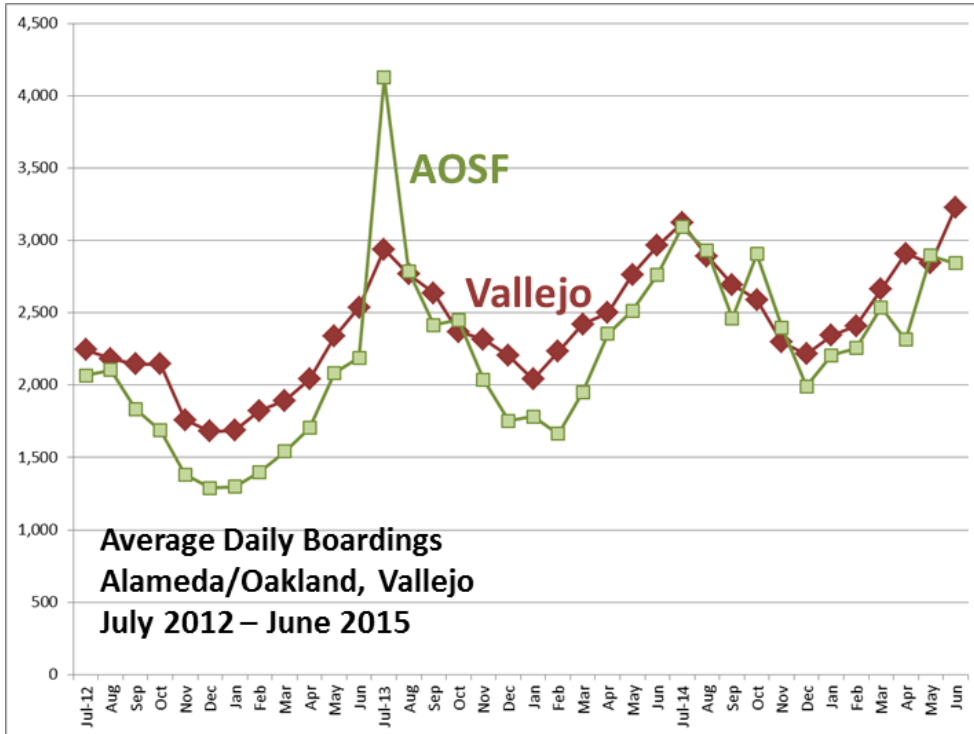
In light of the growth and development of the regional WETA ferry system that has occurred since MTC first developed its performance criteria for RM2 operating funds, WETA requests that MTC view WETA as a ferry system, and not a collection of individual routes, and, accordingly, administer RM2 operating funds and performance requirements on a program-wide basis. WETA believes that this would be consistent with, and allowable under, MTC's current RM2 operating policy. This change in approach would provide WETA the flexible freedom to continue to make system-wide planning and service delivery decisions that benefit the whole of its operation. This is important because in consolidating former city-run services and opening new services in 2012 and 2013, WETA has gained efficiencies by interlining crews and vessels, centralizing administrative and maintenance functions and gained capacity towards its responsibility of providing emergency services. Removing a newer service, such as SSF service, from the larger network cannot be done without negatively impacting the operation and performance of the overall WETA system.

\*\*\*END\*\*\*

South San Francisco Average Daily Ridership  
July 2012 – July 2015



Average Daily Ridership  
 WETA System  
 July 2012 – June 2015





**MEMORANDUM**

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**TO: Board Members**

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

**SUBJECT: Status Report on WETA Strategic Plan Efforts**

**Recommendation**

There is no recommendation associated with this informational item.

**Background**

WETA is developing its first Strategic Plan since the *2001 Implementation and Operations Plan*. The purpose of the Plan is to define a vision for the organization over the next 20 years. Other planning efforts such as the Short Range Transit Plan, Access Plans and even seasonal service plans will be guided by the policy vision established in the Strategic Plan.

**Discussion**

The WETA Board held two public workshops this past spring to kick off the Strategic Planning effort. Since that time, staff has taken the input of the Board and developed a draft document and presentation materials to share with key stakeholders throughout the Bay Area. This process will continue through the months of September and October. Outreach to the general public and ferry riders will occur in late October and early November through a series of public forums and materials posted on the WETA web site. A draft plan will be presented to the WETA Board in November 2015 and a final plan submitted for adoption in January 2016.

The attached schedule presents the future milestones for the Strategic Planning process along with a list of stakeholder meetings that have already occurred and future meetings. Based on stakeholder input thus far, the following themes have arisen and will be incorporated into the draft Strategic Plan:

- Need for additional service, capacity in the existing system
- Need to expand the system, serve new markets
- Need to preserve high quality of service and “special” experience provided by ferry
- Cities see ferry as economic development catalyst, furthering development goals
- Funding structure needs to be modified to accommodate growth, changes in market
- New sources of funding will be needed to achieve ultimate vision of more ferries in the Bay Area
- Emergency response capabilities are part of core responsibilities in the Bay Area
- Need to seek continuous environmental improvement through improved technology, operational practices
- Need to integrate ferry into larger Bay Area transit system and better coordination with other Transbay operators

**Strategic Plan Stakeholder Outreach**

<b>Date</b>	<b>Stakeholder</b>
June 2, 2015	Solano Transportation Authority staff
June 22, 2015	Bay Area Council Ferry Subcommittee
July 7, 2015	Bay Area Council/Silicon Valley Leadership Group Forum
July 16, 2015	City of Vallejo staff
July 30, 2015	City of Richmond Mayor's Roundtable
August 19, 2015	SPUR Transportation Policy Committee
September 8, 2015	East Bay Economic Development Alliance
September 9, 2015	Solano Transportation Authority Board
September 17, 2015	Alameda County Transportation Commission staff
September 21, 2015	City of Alameda staff
September 21, 2015	AC Transit staff
October 8, 2015	Solano Transportation Authority Transit Committee

TBD	BART staff
	City of Oakland staff
	San Mateo Transportation Authority
	City of South San Francisco staff
	Valley Transportation Authority
	MTC staff
	City of San Francisco departments

**Strategic Plan Overall Schedule**

<b>Date</b>	<b>Milestone</b>
September-October	Stakeholder Meetings
October	Public, Rider Outreach
November	Draft Plan Presentation to WETA Board
January, 2016	Adoption by WETA Board

**Fiscal Impact**

There is no fiscal impact associated with this informational item.

\*\*\*END\*\*\*