

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

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

*(October 6, 2011)*

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

**1. ROLL CALL AND CALL TO ORDER**

Chair Charlene Haught Johnson called the meeting to order at 1:03 p.m. Also present were Vice Chair Tony Intintoli, Director Jerry Bellows and Director John O'Rourke. Vice Chair Intintoli led the Pledge of Allegiance. Director Beverly Johnson arrived at 1:19 p.m.

**2. REPORT OF BOARD CHAIR**

None.

**3. REPORT OF DIRECTORS**

Director Bellows reported that he and Director Johnson had attended a press conference at Alameda Point where the Navy and Alameda Reuse and Redevelopment Authority (ARRA) had come to an agreement announcing that the Navy would turn the base over at no cost starting in June 2012 and that most of the base would be turned over by December 2012 and that there was still some clean up to do over the next several years.

**4. REPORTS OF STAFF**

Executive Director Nina Rannells noted Redwood City held their Annual Port Fest last weekend and that Blue and Gold Fleet Captain Tom Dougherty had one of the WETA vessels down there and that Finance and Grants Manager Lynne Yu was on board talking to people and handing out WETA materials and information.

Ms. Rannells stated that the draft of the America's Cup People Plan was out and approved by the America's Cup Event Authority. This plan looks at all kinds of transportation and how it might be enhanced to accommodate what is expected to be a big influx of travel in the area.

Planner/Analyst Chad Mason is the WETA point person working with the City of San Francisco to identify potential areas to beef up ferry service for the event. The plan identifies the possibility of enhanced WETA ferry services from Vallejo, Alameda, Oakland, and Harbor Bay and also mentions the possibility of bringing in people from South San Francisco. There is also some interest in potentially providing service to Treasure Island if appropriate based upon the final race course.

Ms. Rannells introduced Transportation Services Manager Ernest Sanchez to report on special events and augmented services. Mr. Sanchez reported that WETA would be participating in Fleet Week and that military personnel in uniform would be permitted to ride WETA ferries free through Monday. For the weekend, San Francisco Bay Ferry would be operating 18 weekend round trips from Alameda-Oakland instead of the usual 9. He further indicated that the Port of San Francisco is allowing the Navy exclusive use of Gate E for the weekend activities (Saturday through Monday), requiring the Alameda ferry services to utilize Gate B along with Vallejo, Tiburon and special Hornblower services. He indicated that this will cause significant congestion at Gate B and that, in order to help minimize customer confusion, gate change notices would be posted on WETA

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websites, at the Alameda and Oakland Terminals and at Gate E, and that on-board announcements will be made. In addition, WETA will be working with the Port of San Francisco and Blue and Gold Fleet to ensure that customer service representatives are available at Gates B and E and at Pier 41 to keep passengers informed about the services.

Ms. Rannells commented that this gate change would be through Monday which would affect commuter service. Mr. Sanchez agreed that Gate B would be crowded but noted communication between the captains for Vallejo, Tiburon, and Alameda Oakland services would be good as all the services are operated by Blue and Gold Fleet.

Mr. Sanchez indicated that he was contacted on Monday by Caltrans regarding the potential utilization of ferries as a part of the 75<sup>th</sup> anniversary for the Oakland Bay Bridge. Caltrans is hoping to have the Governor as well as the Mayors of the surrounding cities in attendance. Utilizing ferries as a part of this event would allow dignitaries to view the construction progress on the new bridge span from the waterside and would provide WETA with the ability to show off our ferries and regional system.

Ms. Rannells stated that there was no legislative report.

#### **5. CONSENT CALENDAR**

Vice Chair Intintoli made a motion to approve the consent calendar which included the minutes from the September 15, 2011 Board of Directors meeting and authorization to file an application with the Metropolitan Transportation Commission for \$400,000 Regional Measure 2 funds for Clipper implementation.

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

#### **6. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION**

Chair Johnson called the meeting into closed session at 1:14 p.m. Upon reopening of the meeting at 2:02 p.m. she reported that the Board made a motion authorizing the Executive to enter into a lease agreement with the Port of San Francisco for office and berthing space at Pier 9 at a negotiated and reduced rate and that no action had been taken on any other Items.

#### **7. APPROVE VALLEJO FERRY SERVICE OPERATIONS TRANSFER AGREEMENT**

Ms. Rannells was pleased to present this item after approximately three years of discussion between WETA staff and the City of Vallejo (City). The discussions have not always been easy; however, under the leadership of Assistant City Manager Craig Whittom, WETA and the City have been able to come to terms on an agreement that is being recommended for approval. Most of the staff has had a hand in working on the agreement at one time or another. Ms. Rannells wanted to recognize the extra efforts of Manager of Operations Keith Stahnke, Manager of Planning and Development John Sindzinski, Manager of Grants and Finance Lynne Yu, and especially Policy Analyst Lauren Duran who was instrumental in keeping things straight and documenting items agreed upon through the whole process.

Additionally, Ms. Rannells wanted to recognize WETA Counsel Stanley Taylor of Nossaman LLP and his staff, Danielle Gensch and in particular, Donna Brady who has been the lead attorney, noting that all involved have spent much time and effort on this challenging project.

Ms. Rannells presented an overview of the item, indicating that the recommendation includes approving transition of the Baylink ferry services to WETA and approving the ferry services operations transfer agreement. This approval would give authorization to the Executive Director to complete negotiations and finalize and execute this agreement consistent with the terms outlined;

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take all necessary steps to execute documents and complete the closing of the agreement and implement the transition; and find that the transaction is exempt from California Environmental Quality Act (CEQA), authorizing the Executive Director to record a notice of exemption.

Vice Chair Intintoli commented that the language in the proposed agreement regarding marketing of services on an ongoing basis consistent with efforts for other services could be misinterpreted as having to use the same amount of money per passenger to boost ridership irrespective of the need. Ms. Rannells replied that this was not the intent of the proposed language and indicated that she would review this section and make changes as necessary to reflect the general intent to market all services as circumstances warrant.

Director Bellows asked who was managing the service. Ms. Rannells responded that the City was utilizing Marty Robbins of Fast Ferry Management and that staff intended to continue to utilize Fast Ferry Management services to augment WETA staff oversight.

Director Johnson wanted to know about the ongoing capital projects, when the capital projects would be completed and if the WETA would be paying the City for ongoing administration. Ms. Rannells explained that the two relevant ongoing capital projects are the vessel repower and maintenance facility projects. For the Vallejo maintenance facility, the City will manage Phase I/II construction which should start later this year and take approximately a year and a half to complete. Staff anticipates that the City of Vallejo would continue to hold the existing grants for this project with the exception of Proposition 1B funds that WETA will provide to support the project on a pass-through basis. City staff time required to manage the construction and grant efforts will be charged to the project and recovered with project grants to the extent eligible. The vessel repower project is expected to be completed within a relatively short time frame after the service transfer, so, rather than transfer the grants to WETA, which could take several months, it makes more sense for the City to continue to hold these grants and pass the funds through to WETA for use to complete the project.

Director Johnson further questioned why the grant funds weren't being transferred to WETA and expressed concern about the cost associated with the City maintaining these grants. Ms. Rannells indicated that the grant administration work and associated cost is relatively small and will be identified on a project basis ahead of time. Once the current grants and projects are completed this will no longer be an issue.

Director Bellows made a motion to approve the item. Director O'Rourke seconded the motion and the item carried unanimously.

#### **8. PROCESS FOR ESTABLISHING VALLEJO FERRY SYSTEM FARES**

Ms. Duran presented this item on WETA's approach for establishing Vallejo ferry system fares.

Director Johnson asked how sensitive the fare issue is in Vallejo. Vice Chair Intintoli commented about the effects from a few years ago stating that the fare increase caused a 20-25% lost in ridership. The lowering of fares brought back some of the ridership, so fare increases in Vallejo are very sensitive.

Director Johnson stated that small adjustments were made in Alameda. Vice Chair Intintoli asked if it had been a while since adjustments were made in Alameda and Director Johnson indicated that there were no recent major adjustments. Vice Chair Intintoli further explained that the longer it goes without making any small adjustments, the more difficult it would be to make any adjustments.

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Ms. Rannells clarified Vice Chair Intintoli's comment reminding the Board that Vallejo had raised fares by about 25% approximately three years ago. This huge change caused a huge reaction and fell at about the same time as the recession.

Vice Chair Intintoli suggested that it should be a policy discussion of how to do fare increases and whether to use indexes and what makes up the indexes. He further stated that the WETA would be better off reviewing fares frequently and making small incremental adjustments rather than waiting a lengthy amount of time and making up for past opportunities.

**9. AWARD CONTRACT TO BLUE AND GOLD FLEET FOR OPERATION AND MAINTENANCE OF FERRY SERVICES**

Mr. Sanchez presented this item recommending award of a contract for the operation and maintenance of WETA's San Francisco Bay Ferry services to Blue and Gold Fleet, L.P. The term of the agreement is for an initial five-year period with the potential for five one-year extensions to be awarded at WETA's sole discretion.

Mr. Sanchez indicated that only one proposal had been received by the due date from Blue and Gold Fleet, the current operator of the Alameda Oakland and Vallejo ferry. This proposal was reviewed by a four member evaluation team consisting of Mr. Sindzinski, consultant Ben Porter, Mr. Robbins, and Mr. Sanchez.

Mr. Sanchez introduced Mr. Porter, who provided the financial analysis for the WETA, and Blue and Gold staff, President Taylor Stafford, Vice President Carolyn Horgan, and Director of Operations Pat Murphy. Ms. Rannells commented that Mr. Porter did a comprehensive Cost Analysis, as is required by the Federal Transit Administration in a single bid situation in order to confirm that the bid is fair and reasonable. This analysis considered the cost proposal in light of current rates paid for the existing services, proposed cost escalation rates over the five year term, and the cost relative to other similar ferry operations. Based upon this analysis, the Blue and Gold proposal appears to be fair and reasonable. Ms. Rannells indicated that she is looking forward to the prospect of a five to possibly ten year relationship with Blue and Gold Fleet and its staff.

Public Comment

Mr. Stafford felt that the process was fair and open and is very pleased to have been awarded the contract and at a jumping off point.

Public Comment

International Organization of Master, Mates & Pilots (MMP) Vice President Mike Murray of Seattle congratulated the WETA and Blue and Gold Fleet. Mr. Murray stated that the Inlandboatmen's Union (IBU) and MMP have been working together to support the WETA system and complimented the WETA on the sophistication of the boats and professional crew. He thanked everyone involved.

Public Comment

IBU San Francisco Regional Director Marina Secchitano recognized the long journey and the difficulty of decisions made along the way. Ms. Secchitano acknowledged the hard work of the IBU members working with WETA and Blue and Gold Fleet. She stated that the process worked great and was looking forward to ten years.

Director O'Rourke made a motion to approve the item. Director Bellows seconded the motion and the item carried unanimously.

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**10. APPROVE AMENDMENT NO. 2 TO AGREEMENT #09-007 WITH KPFF, INC. FOR DESIGN AND ENGINEERING SERVICES FOR THE CENTRAL BAY OPERATIONS AND MAINTENANCE FACILITY**

Planner/Analyst Mike Gougherty presented this item recommending approval of an amendment with KPFF, Inc for design and engineering services for the Central Bay Operations and Maintenance Facility. The amendment would increase the contract amount by \$450,000 and extend the contract through November 2012.

Vice Chair Intintoli requested the history of the contract. Mr. Gougherty replied that the amount of the original contract was for \$200,000 and the amount of the first amendment was for \$75,000. Vice Chair Intintoli expressed his general concern regarding awarding contract amendments that are larger than the original contract award and the importance of providing opportunities to compete for contracts based upon price.

Mr. Sindzinski stated that these are design and engineering services that were competitively procured through an RFQ process consistent with the Little Brooks Act requirements. This process identified the most qualified consultant to complete the design and engineering services for the project and allowed for WETA staff to negotiate a price for the services. While the RFQ solicitation and review process considered services required to complete the full project design, the initial contract award was limited to only costs and services anticipated to be needed to complete conceptual design required to support the environmental process, as allowed under the National Environmental Policy Act (NEPA). Mr. Sindzinski explained that NEPA clearance is required prior to going into final design which is unique under Federal Transit Administration guidelines. This stepped approach to contract award amounts also allows WETA the flexibility to continue to work with the design/engineering firm once the conceptual design is completed or to seek the services of another contractor if the work is not found to be satisfactory.

Vice Chair Intintoli voiced concern regarding ensuring that WETA processes allow for competitive bidding and to consider price when appropriate. Director Johnson stated that WETA should consider a price competition. WETA counsel Stan Taylor indicated that WETA's procurement policy states that WETA can amend contracts to increase the compensation and term as long as the underlying services are adequately described in the initial solicitation. Unlike other public agencies, WETA does not place a cap on the amendment allowing the amendment to be for a larger amount. Ms. Rannells reiterated that the RFQ solicitation process considered qualifications first, followed by a negotiated price for services, as is required for design and engineering services. Ms. Rannells indicated that she would work with legal counsel to review the agency's RFQ procedures for engineering and design services prior to making any further recommendations associated with final design services for this project.

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

**11. APPROVE AMENDMENT NO. 1 WITH POWER ENGINEERING FOR CONSTRUCTION OF SOUTH SAN FRANCISCO FERRY TERMINAL**

Mr. Sindzinski presented this item recommending approval of an amendment with Power Engineering for additional work associated with the construction of the South San Francisco Ferry Terminal.

Some additional work items will need to be completed in order to finalize construction of the South San Francisco terminal project and implement system service. This work includes Clipper site

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preparation, public access parking and purchase and installation of a terminal security system. The amendment would increase the contract amount by \$1,138,900.

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

**12. AWARD CONSTRUCTION MANAGEMENT CONTRACT FOR BAY BREEZE VESSEL REFURBISHMENT PROJECT**

Mr. Stahnke presented this item recommending Walther Engineering Services Inc. the award for construction management services for the Bay Breeze vessel refurbishment project in the amount of \$425,000.

The project will replace or rehabilitate all major systems including the hull and passenger cabin which is expected to reduce operational and ongoing maintenance costs and extend the useful life of the vessel to at least 25 years.

Director O'Rourke made a motion to approve the item. Director Bellows seconded the motion and the item carried unanimously.

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

None.

**14. ADJOURNMENT**

All business having concluded, the meeting was adjourned at 2:50 p.m.

Respectfully Submitted,

Board Secretary

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