

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

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

*(May 5, 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 1:05 p.m. Directors present were Vice Chair Anthony Intintoli, Director Jerry Bellows and Director John O'Rourke. Director Beverly Johnson arrived at 1:10 p.m. Chair Johnson led the Pledge of Allegiance.

**2. REPORT OF BOARD CHAIR**

Chair Johnson reported that she had received several offers of support following the previous month's Community Advisory Committee meeting and was pleased by the enthusiastic response. Chair Johnson also noted that she looked forward to receiving public input on the naming process for the ferry system via a solicitation on [www.watertransit.org](http://www.watertransit.org).

Public Comment

Gary Leach of the City of Vallejo said that the name Baylink should be used and that no more appropriate name would be found.

**3. REPORT OF DIRECTORS**

None.

**4. REPORTS OF STAFF**

Executive Director Nina Rannells referred the Board to her written report and offered several additional updates. She noted that the Alameda ferry services had successfully transitioned to WETA on April 29, and that as part of the transition WETA had inherited a new employee, Ernest Sanchez. She said that work on the Vallejo transition continued and that she hoped to bring the transition agreement to the Board at the June meeting along with Vallejo's budget and related items. Ms. Rannells added that if the system transfer progresses in a similar way to the Alameda transition that the transfer could be finalized in late summer or early fall.

Ms. Rannells added that the City of San Francisco had invited WETA to participate in the development of the America's Cup People Plan that is being developed to identify and address transportation issues surrounding the America's Cup and that WETA was engaged in active dialogue with the City regarding the event.

Ms. Rannells said that she wished to keep her report brief due the size of the agenda and specifically noted the excitement generated by the item to release an RFP for system operations. She closed noting that there was no legislative update.

**5. CONSENT CALENDAR**

Director Bellows made a motion to approve the minutes from the April 7, 2011 Board of Directors meeting. Director O'Rourke seconded the motion and the item carried unanimously.

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

Chair Johnson noted that item 16 would be taken out of order and called the meeting into closed session at 1:15 p.m. Upon reopening of the meeting at 1:50 p.m. she reported that no action had been taken.

**7. AUTHORIZE THE RELEASE OF REQUEST FOR PROPOSALS FOR WATER TRANSIT SYSTEM OPERATION AND MAINTENANCE**

Chair Johnson noted that due to public interest in this item that it would be moved out of order.

Ms. Rannells presented the item requesting Board authorization for the release of a Request for Proposals for Water Transit System Operation and Maintenance. She reminded the Board that a draft version of the RFP was issued and circulated for industry review in January and that comments had been received from operators, potential consultants and labor. She said that WETA had been in active discussions to consider these comments for incorporation into the final RFP.

Ms. Rannells noted that the RFP covered operations for the Alameda/Oakland service, the South San Francisco service anticipated to begin in early 2012, and operation of the Vallejo service once transition to WETA was complete and after the current Vallejo contract expired in June 2012.

Ms. Rannells reviewed the scope of the RFP as well as the selection criteria, adding that in accordance with California Labor Code Sections 1070-1074, a 10% scoring bonus will be awarded to proposers who agree to retain current employees. She noted that the initial period of the contract was for five years with five additional one year renewal options for a total of up to ten years.

Ms. Rannells noted a letter sent to the Board the previous night from the Inlandboatman's Union (IBU) with a request for additional labor language added to the RFP. She added that WETA had spent several months working with union representatives in developing language for the RFP with the intent of protecting existing workers and ensuring that they are offered the opportunity to continue their work regardless of the operator selected.

Public Comment

Robert Irminger of the IBU and Blue & Gold Fleet thanked the WETA Board for taking labor requests seriously and for incorporating some of suggested language into the RFP. Mr. Irminger said one concern that remained was the need for inclusion of language that would protect the hiring hall. He said that in the days following the 1989 Loma Prieta earthquake, vessels from Seattle and Los Angeles were brought in to assist and that it was because of the union's hiring hall that experienced and skilled labor was ready and able to operate those vessels. He noted that emergency response was one of the reasons WETA was created and that the hiring hall would be essential to providing qualified labor during the next disaster. Mr. Irminger said the hiring hall provided flexibility and had always worked very well and that the inclusion of language preserving the hiring hall in the RFP was his primary concern.

Public Comment

Tim Paulson, Executive Director of the San Francisco Labor Council, noted that the AFL/CIO represented over 100 unions in San Francisco including many that work on the waterfront. He said that he wanted to see the hiring hall language inserted, adding that the hiring hall works, is important in ensuring trained workers are available, and had been a tradition on the San Francisco waterfront for many years. On behalf of the 100,000 men and women in the labor community of San Francisco, Mr. Paulson urged that language protecting the hiring hall be inserted into the RFP.

Public Comment

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Fred Pecker of International Longshore and Warehouse Union (ILWU) Local 6, speaking on behalf of the Northern California District Council, addressed the rich maritime tradition of the hiring hall. He said that since labor first organized on the waterfront that the hall had been a way of ensuring fair hiring practices and making sure that workers were skilled and qualified for the job classifications to which they are assigned. He said that the hall was a dignified part of the historic and social fabric of the Bay Area. Mr. Pecker urged the Board to consider insertion of the language to protect the hiring hall.

Public Comment

Mike Villegiante of the ILWU Local 10 said that he was quite concerned over the possibility that the language protecting the hiring hall would not be included in the RFP. He said that dispatch halls had a long and important history supplying skilled day labor to the shipping and maritime industries in San Francisco. He said the halls were important to businesses because they provide flexibility in accommodating peaks and valleys in labor requirements. He invited anyone who had questions or needed assistance to contact him directly.

Public Comment

Chuck Billington, ILWU and Chair of the IBU, said that he was the author of three schools and that every person who comes into the IBU is required to go through his basic training school. He said that the IBU offers the best of the best, and referred to an article written about his school in the current issue of Bay Crossings. He said that hiring through the hall was the only way to get the best that can be.

Public Comment

Capt. Ray Shipway of Masters, Mates & Pilots added his support to the inclusion of the IBU's language protecting the hiring hall into the RFP, saying that the language was necessary and would be especially important in responding to disasters such as the Loma Prieta earthquake.

Ms. Rannells responded that the IBU had suggested the inclusion of language specific to the IBU hiring hall in comments several weeks earlier, and that WETA had excluded that particular portion. She said that WETA had worked very hard on all of the labor provisions to ensure that the language would not dictate to proposers which unions they would be required hire and instead focused on language that would protect existing workers.

Ms. Rannells noted that a logical progression existed where the operator would be in a situation where they would be required to go through the hiring hall. She stated that it was important for WETA to be careful as the issuer of the RFP not to overstep its bounds and dictate to proposers which specific unions would provide specific jobs and that this is why the IBU's hiring hall language had been pulled. She suggested that perhaps other language that was not specific to IBU but which encouraged the use of hiring halls in general could be included.

Director O' Rourke said that he believed very strongly in the sanctity of the hiring hall and that it is essential for providing the skilled, qualified and competent workforce that the service could rely on to operate WETA's boats. He proposed WETA adopt language consistent with the recommended substitute language that would read: "If an insufficient number of senior deckhand or deckhand employees are available or willing to accept the offers to hire pursuant to this requirement, contractor must secure such employees for senior deckhand and deckhand positions from the represented employees' union hiring hall if applicable and in accordance with the rules and regulations governing that hall."

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Director O' Rourke said that he thought the amended language would suffice in both honoring the rule of the list and the hiring hall as well as assuring competent and skilled labor for vessel operations.

Vice Chair Intintoli asked for an explanation of "the rule of the list". Director O'Rourke qualified his response in regards to the building trades with which he was familiar, but said that a member who signs an "out of work" list is assigned a number, and that as his or her number moves up on the list that person becomes assured of being next in line for an available job. Vice Chair Intintoli suggested that it assured some equity and order to the process and Director O'Rourke agreed.

Director Johnson said that she didn't think that such a requirement should be part of the RFP and that those hiring processes should be left to the unions. Director O'Rourke and Vice Chair Intintoli responded that they were simply clarifying the general process of a hiring hall and that this was not something included in WETA's RFP.

Chair Johnson solicited the audience for any additional comments.

#### Public Comment

Mr. Villeggiante pointed out that there were variations on the process and that his union worked on a rotary dispatch rule which equalized opportunities to each available worker. He invited any interested parties to contact him with any questions regarding the process or for a tour of his hiring hall.

Ms. Rannells acknowledged that there were a variety of processes and clarified that union hiring practices were beyond the scope of language in WETA's RFP.

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

### **8. OVERVIEW OF FY 2010/11 FINANCIAL AUDIT SCOPE AND PROCESS**

Ms. Rannells presented this informational item in preparation of an annual financial audit report by an independent auditor consistent with California Government Code Section 66540.54. She noted Maze & Associates would perform the audit through its ongoing agreement with the Association of Bay Area Governments and introduced Cory Biggs of Maze & Associates.

Mr. Biggs said that the scope of the audit work would be changing substantially as WETA moves into service operations. He noted that Maze & Associates was also the auditor for the City of Alameda, which would be helpful in terms of the firm already having familiarity with the Alameda Oakland Ferry Service. He noted that he was specifically interested in working on farebox revenue controls and looking at bond and Measure B issues. He emphasized the importance of having clear, two-way communication with the Board and encouraged the Board to bring any concerns or questions to him directly.

### **9. APPROVE FISCAL YEAR 2011/12 BUDGET**

Ms. Rannells presented this item requesting that the Board approve by motion the proposed Fiscal Year 2011/12 Operating and Capital Budget.

Ms. Rannells referred to the budget attachment and presented an overview. She noted that Vallejo was not included in the budget as it did not make sense for WETA to include a budget for a service that it does not yet operate but that a proposed budget for the Vallejo service would be brought to the Board for adoption along with the Vallejo transfer agreement at a future meeting.

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Vice Chair Intintoli asked that in the event that WETA did take over Vallejo service in the coming year if there would be marketing funds available. Ms. Rannells said that Vallejo did have some marketing in their budget, which WETA would adopt at the time of transfer, and that WETA has also included marketing in its overall budget.

Ms. Rannells pointed out that some items were subject to change based on the proposals WETA would receive in response to the system operations RFP, although it was not certain to what extent these would have any impact. She added that escalating fuel costs have had an impact on the Alameda ferry services, and will impact the Vallejo budget to an even greater degree due to the long distance and vessel speed required for the service. Ms. Rannells said that the budget used a projected fuel price of \$4 a gallon. She said that while fuel prices had increased sufficiently to consider instituting a fuel surcharge to the service fare, her recommendation would be to first complete the service transitions. Once this work is completed, and a new service operator is selected, staff will be in a better position to assess the impact of fuel prices on the system budget and consider options for addressing the situation.

#### Public Comment

Mr. Leach said he understood why Vallejo's operating budget was not yet included in WETA's budget but that he did not understand why funding for the FY 2011/12 Vallejo maintenance dredging was not included.

Ms. Rannells explained that it made no sense for WETA to budget funds for the FY 2011/12 Vallejo maintenance dredging when WETA did not yet have a transition agreement or operate the service. She added that funding for maintenance dredging would be included with the Vallejo budget along with the Vallejo transfer agreement when that was completed and presented to the Board.

Mr. Leach asked if there is still sufficient time to apply for capital funding for the maintenance dredging project. Finance and Grants Manager Lynne Yu said that the federal application process was already underway and that WETA was aware of the timeline for contract award and the short dredging window.

Director Bellows asked if there was any information regarding a rumor that a large biotech company was looking at the planned Central Bay Maintenance Facility site. Ms. Rannells said that discussions with the City of Alameda and BCDC were well underway and that she was not familiar with that rumor. Director Johnson also said that she had not heard such a rumor but that she would check with city staff.

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

#### **10. AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR FY 2011/12 REGIONAL MEASURE 1 BRIDGE TOLL REVENUE FUNDS TO SUPPORT THE ALAMEDA FERRY SERVICES**

Ms. Yu presented this item requesting that the Board authorize the filing of an application with the Metropolitan Transportation Commission for a total of \$1,884,800 FY 2011/12 Regional Measure 1 Bridge Toll revenue funds, including five percent unrestricted State funds and two percent bridge toll reserve funds and authorize the Executive Director to execute the associated agreements.

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

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**11. AUTHORIZE FILING APPLICATIONS WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR \$6,243,000 FY 2011/12 REGIONAL MEASURE 2 OPERATING FUNDS**

Ms. Yu presented this item requesting that the Board authorize filing applications with the Metropolitan Transportation Commission for a total of \$6,243,000 FY 2011/12 Regional Measure 2 operating funds and authorize the Executive Director to execute the associated agreements.

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

**12. APPROVE AMENDMENT NO. 10 TO THE AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS FOR THE PROVISION OF ACCOUNTING SUPPORT SERVICES**

Ms. Yu presented this item requesting that the Board approve Amendment No. 10 to the agreement with the Association of Bay Area Governments (ABAG) in the amount of \$100,000 for the provision of accounting support services for FY 2011/12 and authorize the Executive Director to execute the amendment. Ms. Yu gave an overview of the services provided by ABAG.

Ms. Rannells said that she continued to think that using ABAG to provide these services to WETA is the right solution but added that having Ms. Yu at WETA provided her with a great level of confidence that what ABAG does for WETA is right and correct. She said that with Ms. Yu as the brains behind the system, she feels that \$100,000 for ABAG's services was very reasonable.

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

**13. APPROVE AMENDMENT NO. 1 TO THE AGREEMENT WITH BROAD & GUSMAN, LLP FOR THE PROVISION OF STATE LEGISLATIVE REPRESENTATION**

Public Affairs Manager Leamon Abrams presented this item requesting that the Board approve Amendment No. 1 to the agreement with Broad & Gusman, LLP to extend the term of their contract for FY 2011/12 in an amount not to exceed \$66,000, and authorize the Executive Director to execute the amendment.

Vice Chair Intintoli asked if WETA maintained a specific list of tasks for Mr. Broad, such as looking at potential solutions to issues including the simultaneous end dates for Board member terms, which was only two years away. He also suggested scheduling a Board retreat to address this along with other issues.

Ms. Rannells said that while the Board had not adopted a specific legislative program, staff was in regular contact with Mr. Broad to address issues as they came up. Vice Chair Intintoli said that a list would also provide more specific criteria for future contract amendments.

Ms. Rannells asked the Board if a committee should be formed to examine the issue of Board member terms. Vice Chair Intintoli asked if it could be discussed in closed session. WETA legal counsel Stanley Taylor III of Nossaman, LLP said that it could not.

Director O'Rourke asked Ms. Rannells to present these points to Mr. Broad and have him come back with a work program. Ms. Rannells agreed that this could create a more structured approach. Chair Johnson added that she did not disagree with this idea.

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

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**14. APPROVE AMENDMENT NO. 10 TO THE AGREEMENT WITH LINDSAY, HART, NEIL & WEIGLER, LLP FOR THE PROVISION OF FEDERAL LEGISLATIVE REPRESENTATION**

Mr. Abrams presented this item requesting Board approval of Amendment No. 10 to the agreement with Lindsay, Hart, Neil & Weigler, to extend the term of their contract through FY 2011/12 for an amount of \$160,000 and to authorize the Executive Director to execute the amendment.

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

**15. ADOPT WETA LOCAL HAZARD MITIGATION PLAN (LHMP)**

Planner/Analyst Chad Mason presented this item recommending that the Board adopt the Association of Bay Area Governments (ABAG) Local Hazard Mitigation Plan and the WETA jurisdictional annex. Mr. Mason presented an overview of the item, noting that ABAG has taken the lead in preparing a multijurisdictional LHMP for the San Francisco Bay Area in order to assist local governments in meeting the LHMP requirement. He added that local agencies such as WETA were required to adopt a LHMP in order to maintain eligibility for disaster assistance funds.

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

**16. ADJOURNMENT**

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

Respectfully Submitted,

Board Secretary

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