

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(December 8, 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 2:15 p.m. Directors present were Vice Chair Anthony Intintoli, Director Gerald Bellows and Director John O' Rourke. Director Beverly Johnson arrived at 2:25 p.m. WETA representative Stanley Taylor III of Nossaman, LLP led the pledge of allegiance.

2. REPORT OF BOARD CHAIR

None.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

On request of the Board Chair, Executive Director Nina Rannells reviewed the status of the potential Richmond ferry service, noting that WETA staff Manager of Planning and Development John Sindzinski, Manager of Operations Keith Stahnke and Planner/Analyst Chad Mason had visited the potential terminal site the previous week.

Mr. Stahnke stated that the possibility of using the existing terminal looked promising, although it would require some modifications including the replacement of the float. He noted that reutilizing an existing facility would minimize the difficulty in obtaining permits from BCDC. He said that the current terminal was in use by excursion boats servicing Ford Point, which frequently hosted events for firms such as Twitter and Google. Mr. Stahnke added that the existing terminal location was very close to WETA's previously identified site and that it could also act as a placeholder for a future facility.

Mr. Sindzinski said that the entire area near the potential terminal site was undergoing a transformation, including the construction of nearby housing and an underpass to be built by the City to provide uninterrupted access to the area, which would also be a key consideration for ferry service. He noted that the developer was very supportive of a ferry service and also controlled the parking facilities near the terminal location.

Director Johnson asked who the developer was. Mr. Sindzinski replied that Eddie Orton of Orton Redevelopment had developed several areas surrounding the potential terminal including Ford Point and the Rosie the Riveter Museum and that there was also housing under development about ¼ mile away by a different developer.

Vice Chair Intintoli asked if Richmond was being considered as an alternative to Berkeley. Mr. Sindzinski said that it could be either an alternative service or in addition to Berkeley. Ms. Rannells noted that if details of an agreement for the existing terminal could be worked out with the site

owner, that this along with a supportive city government and developer could make implementation of a Richmond service happen much more quickly than service in Berkeley. She also noted that Richmond service had the highest projected ridership aside from Treasure Island and slightly higher than that of Berkeley. Chair Johnson said that she had been impressed by Mr. Orton's enthusiasm. Ms. Rannells said that it was time to sit down and discuss a plan for how service could move forward.

Vice Chair Intintoli asked at what point the viability a Berkeley terminal should be reassessed. He noted that WETA had already put considerable resources into the project with another \$500,000 budgeted for the coming year. Ms. Rannells stated that staff was currently putting together a comprehensive list for the Board in order to facilitate a discussion regarding which planned services may need to be reassessed.

Director Johnson asked if it WETA should stop spending on the Berkeley project until there was more progress made by the city on the parking issue. Ms. Sindzinski noted that almost everything was already on hold pending resolution of the parking issue with the exception of a National Marine Fisheries biological opinion, which would cost between \$25,000 and \$30,000. Mr. Mason said that the report had already been submitted and that aside from this expense there was no additional activity at present.

Ms. Rannells pointed out that the remaining hang-up was the parking plan with H^s Lordships and that WETA anticipated receiving an updated parking study soon. Vice Chair Intintoli observed that Richmond appeared enthusiastic to implement a ferry service while focusing on Berkeley had yielded nothing but delays.

Director Johnson suggested that staff consider putting an item on the January 2012 meeting agenda to suspend additional work on the Berkeley project. Ms. Rannells said that she felt it should be part of the larger discussion about the current viability of all the planned services. She noted that as there was not currently any significant spending in Berkeley, that it should be considered in such a discussion along with the other services.

Chair Johnson asked for a status update on the parking arrangement with H^s Lordships. Mr. Sindzinski said that there appeared to be a change in attitude where they were seeing the ferry terminal as a positive but that they continued to have reservations about sharing the lot. He said that as the leaseholder, it had taken the City of Berkeley a while to become proactively involved. Chair Johnson said that the city had had plenty of time to step in to push things forward.

State Legislative Report

WETA legislative representative Barry Broad of Broad and Gusman, LLP delivered a comprehensive update to the Board regarding state legislative activities.

Mr. Broad discussed the issue of Board member terms expiring simultaneously, characterizing this as an error in the original legislation that was imperative to repair in order for the Board to retain institutional knowledge during future transitions. He recommended a legislative fix to take effect before the initial term expirations occur in January 2014. Mr. Broad suggested an approach calling for a staggered round of appointments for two two-year, two four-year, and one six-year term, and have the Governor simply pick who gets what. Mr. Broad said that he did not believe it would be a controversial item and that he wanted to get a sense from the Board if they felt that this would be an appropriate approach.

Vice Chair Intintoli asked if there was a risk that the legislation offered to fix this issue could be altered to affect WETA in other ways. Mr. Broad replied that that was unlikely but in the event that

this occurred the sponsor could simply withdraw the bill. As an example, Vice Chair Intintoli asked if someone could alter the number of board members. Mr. Broad said that they would have to introduce their own bill.

Mr. Broad said that in all likelihood such a bill would sail through without opposition as it was apparent to all that this was simply an oversight in the original legislation. Ms. Rannells further noted that it would be kept simple and to the point, and that it would address only this issue. Mr. Broad said that it would be what is known as a "district bill" addressing local concerns and that if someone did want to change it, they would need to talk to the bill's sponsor who could then either pull the bill or reject the change and move it forward as-is.

Director Johnson asked if an immediate decision was required. Ms. Rannells replied that this was informational but that it was a direction that Mr. Broad recommended and an important item for the Board to be thinking about.

Public Comment

Veronica Sanchez of Masters, Mates & Pilots asked if there had been any issues regarding the Prop 1B bond funding. Mr. Broad replied that there had not. Ms. Rannells added that the actual flow of the funds to WETA had not been consistent but that they had been regularly allocated in the budget.

Chair Johnson thanked Mr. Broad for his report and also noted that there was a federal legislative update included in the board packet from WETA federal legislative representative Peter Friedmann of Lindsay, Hart, Neil & Weigler, LLP.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve minutes from the November 3, 2011 Board of Directors meeting. Director O' Rourke seconded the motion and the item carried unanimously.

6. AUTHORIZE EXECUTION OF A PASS-THROUGH AGREEMENT WITH THE CITY OF VALLEJO TO PROVIDE PROPOSITION 1B FUNDS TO SUPPORT THE VALLEJO FERRY MAINTENANCE FACILITY PROJECT

Ms. Rannells presented this item noting that since it had been written the situation regarding the Vallejo Maintenance Facility had changed. She reported that bids submitted to the City of Vallejo for construction of Phase 1 and 2 of the project had come in higher than expected and that the current funding commitments were insufficient to support the project.

Ms. Rannells noted that the City of Vallejo had come out with a revised engineering estimate several months before but that even the revision had not anticipated the bids that were received. She said that bids came in between \$15.8 and \$19.7 million but that the overall funding commitment between the City and WETA had been \$9 million. She reported that WETA had engaged both the City and the Solano Transportation Authority to seek out other potential funding options and that even if additional funding is available staff would need to consider if any of the lower bids received for project segments are worth pursuing. Ms. Rannells said that additional meetings had been scheduled to discuss these options, noting that she was also interested in seeing if it would make sense to redesign any components of the project and offer it for bid again.

Ms. Rannells said that at this point WETA had been asked if they would be able to access any additional funding for the balance of the project, noting that the authorization request at hand for the Board to grant a \$5 million pass-through agreement did not immediately require action. She said that WETA did have access to some additional funding through Prop 1B for non-specific maintenance projects and that some of this had already been budgeted with an eye toward Phase 3

of the Vallejo maintenance facility as well as for the planned Alameda/Central Bay maintenance facility. Noting that WETA would be the organization that would be operating out of the facility going forward, Ms. Rannells said that WETA first needed to perform due diligence in examining the bids and project options with City staff. She said that she hoped to expedite this conversation and resolve it within the next several weeks.

Director Johnson asked if the contract was design/build. Ms. Rannells indicated that it was for construction only. Director Johnson noted that she liked design/build. She said it was great to design something without thought to how much it would cost to build but that it would also need to be built. She recommended looking at whether it could be rebid as a design/build project or if there were value engineering options that could lower any of the bids that had been already been received.

Ms. Rannells said that there were two major cost factors at play in the high bids. First, the project was designed to require below grade fuel tanks which require significant excavation and construction of an expensive vaulting system. Second, the waterside facilities were designed to be constructed about 50' into the channel in order to avoid dredging work near waterfront properties. The resulting design requires significant and expensive pile work. She said that WETA needed to find out if alternative approaches existed to these design elements that that could result in savings to the project.

Vice Chair Intintoli asked if Ms. Rannells was recommending that the item be continued. Ms. Rannells said that it was up to the Board but that staff would be returning with this issue again soon, and that she wouldn't recommend entering into the pass-through until WETA could be certain that there was a project.

Vice Chair Intintoli asked if the pass-through agreement was required to keep the project alive. Ms. Rannells responded that as far as she was aware, it was not, as the funds were for construction only and no construction contract had been awarded. Vice Chair Intintoli asked staff to bring this item back as soon as plans to move the project forward are developed.

No action was taken.

7. OVERVIEW OF THE SOUTH SAN FRANCISCO FERRY SERVICE IMPLEMENTATION ACTIVITIES

Mr. Sindzinski led this informational presentation with assistance from Ms. Rannells, Mr. Stahnke and Manager of Transportation Services Ernest Sanchez regarding the launch of WETA's first expansion ferry service.

Regarding the Clipper implementation schedule, Director Johnson asked if it was true that eventually one would be able to use a single ticket for various transportation agencies. Mr. Sindzinski replied yes.

Regarding the draft schedule for the two-boat service which would be required to provide more than two trips per commute, Director Johnson asked if there was sufficient ridership projected to support such a service. Mr. Sindzinski replied that any lower level of service could deter potential riders.

Public Comment

Vice Mayor Pedro Gonzalez of South San Francisco asked Mr. Stahnke to elaborate on the "bus bridge". Mr. Stahnke explained that contracts would be put in place to provide a backup mode for commuters on days when weather prohibited ferry service, which he noted was a very rare event.

Vice Chair Intintoli asked if the parking lots in Alameda and Oakland were free for ferry commuters. Ms. Rannells said that they were.

Public Comment

Denise Turner of the Port of San Francisco asked what the terms were for free parking in Oakland, specifically if they could be changed without notice. Ms. Rannells noted that the parking was provided through an agreement negotiated with the Port of Oakland and was based on an occupancy rate which if exceeded would result in a nominal fee to WETA. She added that the garage at Jack London Square was currently far from the point where a fee would be triggered and that it would certainly be a point of discussion if reaching the occupancy rate became foreseeable.

Regarding the currently projected cash fare of \$9, Vice Chair Intintoli asked if that meant that a round-trip would cost \$18 and Director Johnson asked how the fare compared to other transit. Ms. Rannells said that the cash fare as noted was correct and said that a BART fare to South San Francisco would depend on where the starting point was but that it averaged \$4 per trip. Mr. Sanchez offered that Rockridge to South San Francisco cost \$8.40 round trip.

Director Johnson asked that since the ferry fare would be substantially higher why WETA would charge more for cash fares than the \$7.50 fare for Clipper users. She said that if the boats were not anticipated to be full initially that she didn't see the reason to deter riders with a higher cash fare. Ms. Rannells said that moving forward, the concept would be for the Clipper card to be used as the vehicle for discounted fares, and that she anticipated that most commuters would use the discounted Clipper fare. Ms. Rannells also pointed out that discounted fares such as senior and youth fares were derived from the cash fare, and that this was consistent with how other transit services using Clipper offered their discounted fares.

Director Johnson said that people would choose to drive if confronted with an \$18 round trip cash fare. Vice Chair Intintoli said that that was why WETA expected commuters to use Clipper. Director Johnson said that her concern was for the occasional riders. Vice Chair Intintoli pointed out that the Oyster Point area was primarily an employment center and that there would not likely be many casual riders.

Public Comment

Marina Secchitano of Inland Boatmen's Union asked how much the current Oakland/Alameda Ferry cost versus BART. Director Johnson said that BART would be about \$7.50 round trip. Mr. Sanchez responded that a discounted fare on the Alameda Ferry would be between \$5 and \$5.20 each way. He pointed out that there was no BART station in Alameda, which would create an additional cost for Alameda residents taking BART and that some BART stations also had parking fees for those who drove to their departure points.

Director O'Rourke asked about employer commitments to transit benefits. Mr. Sindzinski replied that an employer could provide a transit benefit to the commuters capped at \$125 a month. Director O'Rourke then asked for a status update regarding other corporate sponsorship of the service. Mr. Sindzinski said that while meetings with Genentech would continue, the company's perspective was that they already had a \$6-10 million bus operation in place. Ms. Rannells clarified that Genentech was running luxury bus services from the East Bay to South San Francisco.

Director Johnson asked if they would consider operating a bus service to the Oakland ferry terminal. Mr. Sindzinski said that the subject had been broached and that Genentech had responded that they would not reroute any current busses to the terminal. He said that they indicated that they would consider it if new bus services were added in the future. Vice Chair Intintoli asked for clarification that WETA would be in direct competition with an employer provided

luxury bus. Mr. Sindzinski said that only one bus service could be considered direct competition to the ferry, a newly implemented route leaving from near the Rockridge BART station to South San Francisco.

8. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 3:50 p.m. Upon reopening of the meeting at 4:10 p.m., she reported that the Board had approved a settlement of the claim between Moffatt & Nichol and Manson Construction Co. with respect to the design and construction of the Pier 9 berthing facility.

9. ADJOURNMENT

All business having concluded, the meeting was adjourned at 4:10 p.m.

Respectfully Submitted,
Board Secretary