

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

(May 8, 2014)

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

1. ROLL CALL AND CALL TO ORDER

Acting Chair Anthony Intintoli called the meeting to order at 1:00 p.m. Other directors present were Director Jeffrey DelBono and Director Timothy Donovan. Director DelBono led the pledge of allegiance.

2. URGENCY ITEM: ELECTION OF INTERIM CHAIR

WETA legal representative Stanley Taylor of Nossaman LLP suggested that as there had been no indication from the Governor's office that appointments were forthcoming in the near term that the Board elect an interim Chair.

Director DelBono made a motion to add the election of an interim chair to the agenda. Director Donovan seconded the motion and the item carried unanimously.

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

Director DelBono then nominated Director Intintoli as interim Chair. Director Donovan seconded the nomination. Nominations were closed and Director Intintoli was unanimously elected as interim Chair of the WETA Board of Directors.

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

3. REPORT OF BOARD CHAIR

No report.

4. REPORT OF DIRECTORS

No report.

5. REPORTS OF STAFF

Executive Director Nina Rannells referred the Board to her written report, specifically noting the North Bay Operations and Maintenance Facility groundbreaking scheduled for Thursday, May 15.

Ms. Rannells also referred the Board to the Federal Legislative Report, noting that WETA federal legislative representatives Peter Friedmann and Ray Bucheger were now engaging representatives regarding FTA funding for ferry systems following President Obama's recent introduction of the Grow America transportation bill.

6. CONSENT CALENDAR

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

- 1) The Board of Directors meeting minutes of March 31, 2014
 - 2) Overview of FY 2013/14 Financial Audit Scope and Process
 - 3) Authorize Filing Applications with the Metropolitan Transportation Commission for FY 2014/15 Regional Measure 1 and Regional Measure 2 Operating and Capital Funds
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Chair Intintoli asked if it was correct that unused RM1 operating funds could be held over to the next fiscal year or if they would be lost if not used. Ms. Rannells said that the former was correct, and that as RM2 funds expired, they were always used first.

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

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

7. AMENDMENT TO AGREEMENT WITH ATKINS FOR ENVIRONMENTAL REVIEW SERVICES FOR THE RICHMOND FERRY TERMINAL PROJECT

Manager of Planning and Development Kevin Connolly presented this item requesting Board approval of Amendment No. 2 to Agreement 08-005 with Atkins authorizing additional funds in the amount of \$100,000 for environmental review services for the Richmond Ferry Terminal Project, to extend the contract term to December 31, 2015 and to authorize the Executive Director to negotiate and execute the amendment.

Chair Intintoli asked if the original budget had been depleted. Mr. Connolly said that it had. Director Donovan asked if Mr. Connolly was confident that the work could be completed under this amendment and on time. Mr. Connolly said that he was.

Director Donovan made a motion to approve the item. Director DelBono seconded the motion and the item carried unanimously.

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

8. AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS FOR ALAMEDA MAIN STREET FERRY TERMINAL WALKWAYS AND RAMPS

Ms. Rannells presented this item requesting that the Board authorize the release of a Request for Proposals for Alameda Main Street Ferry Terminal Walkways and Ramps.

Ms. Rannells noted that this work had been needed before the Alameda service had transitioned to WETA. She noted that the facility had been minimally maintained under the City of Alameda and subject to the stress of a marine environment and that this work was required for continued operations. She added that WETA would strive for minimal impact to customers during the course of the work.

Director DelBono asked what the total cost would be. Ms. Rannells said she anticipated WETA's cost to be \$432,000, noting that Bay Ship & Yacht (Bay Ship) would be covering the cost of the relocation of the float. Director Donovan asked if this meant the walkways and ramps would be built and delivered to the site and that Bay Ship would install them. Mr. Rannells said that was correct and that the new facility would be an improvement and include double loading ramps as well.

Director Donovan asked what Bay Ship's cost would be. Ms. Rannells said she would bring that information back to the Board, noting that Bay Ship would be funding the relocation as the need to relocate was a result of their new dry dock placement. Director DelBono asked if they would be doing the work in-house or using a sub-contractor, as using a sub-contractor may require use of a project labor agreement.

Public Comment

Veronica Sanchez of Masters, Mates & Pilots said that if any work related to pilings was required that she wanted to make sure that local tugs were used.

Public Comment

Sherry McCoy of City of Hercules and WCCTAC asked about independent oversight and WETA's liability on the project. Ms. Rannells replied that Ben C. Gerwick, Inc. would be providing oversight.

Director DelBono made a motion to approve the item. Director Donovan seconded the motion and the item carried unanimously.

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

9. APPROVE AMENDMENT TO THE AGREEMENT WITH BEN C. GERWICK, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE EAST BAY FERRY TERMINAL REFURBISHMENT PROJECT

Ms. Rannells presented this item requesting Board approval of Amendment No. 1 to Agreement 13-002 with Ben C. Gerwick, Inc. (Gerwick) to increase the contract amount from \$159,000 to \$285,000 and authorize a project budget increase in the FY 2013/14 Capital Budget in the amount of \$126,000. She noted that along with the oversight of the Alameda relocation noted in the previous item that ADA improvements needed to be added to the Clay Street float and gangway system in Oakland.

Director Donovan asked why Gerwick hadn't noticed the ADA issues at the Clay Street float previously. Ms. Rannells replied that the first component of their work under the original contract was to assess the facility and to assist WETA in preparing bid documents. It was during the assessment that it was brought to WETA's attention that work needed to be done to make the ramping compliant with ADA requirements.

Director Donovan made a motion to approve the item. Director DelBono seconded the motion and the item carried unanimously.

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

10. SOUTH SAN FRANCISCO SERVICE ENHANCEMENT PROGRAM ASSESSMENT

Mr. Connolly presented this item requesting Board approval of modifications to South San Francisco ferry service including making the peak period schedule currently in place permanent, modifying midday service to serve the Ferry Building only by eliminating the Pier 41 stop, continuing to evaluate service performance over the spring and summer, returning to the WETA Board at six month intervals for status updates, and continuing to work with Employers and Employee Transportation Coordinators in South San Francisco and the Oyster Point area to raise awareness and promote the ferry as an alternative commute option.

Mr. Connolly reported that the ridership trends were strong and that the number of passengers had doubled over the previous year but that the service continued to struggle.

Chair Intintoli noted that South San Francisco operations appeared to be entirely funded by RM2. He said that establishing a new service was a significant challenge and that ridership projections should be updated before considering any additional new WETA services so that funding is not drained from the existing services. He cited Richmond as an example.

Ms. Rannells said that unlike South San Francisco, Richmond service would be largely funded by a local sales tax measure and that there were no specific plans at this time to use RM2 to fund operations in Richmond.

Chair Intintoli asked about the status of the Contra Costa white paper. Mr. Connolly said that the CCTA anticipated release in June.

Director DelBono asked if the South San Francisco marketing program would continue, including radio spots. Mr. Connolly replied that some marketing would be ongoing but that ridership surveys indicated that 60% of riders had found the service through their employers or co-workers and that outreach efforts would be focused on employers and employees.

Director Donovan made a motion to approve the item. Director DelBono seconded the motion and the item carried unanimously.

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

11. APPROVE FISCAL YEAR 2014/15 OPERATING AND CAPITAL BUDGET

Ms. Rannells presented this item requesting that the Board approve, by motion, the Fiscal Year (FY) 2014/15 Proposed Operating and Capital Budget.

Chair Intintoli asked about the vessel replacement for the *Vallejo*, noting that it appeared that it would be replaced by a larger vessel similar in size to the *Solano*. Ms. Rannells said that this was the objective, adding that the work to be done on this project over the next year was limited to developing specifications and securing construction management services, since full funding has not yet been secured to construct this replacement vessel.

Chair Intintoli noted that long distance services like Vallejo were susceptible to fluctuations in fuel prices. He asked if the fuel amount budgeted vs. actual in the current year's budget was a result of planning for volatile fuel prices. Ms. Rannells replied that WETA was conservative with fuel estimates for that very reason, adding that operations funding generally needed to be spent or it would be lost.

Chair Intintoli also asked a similar question regarding professional services agreements. Manager of Finance & Grants Lynne Yu noted that the budget for Professional Services included Marketing and Promotional services as well as Landside and Vessel Maintenance services procured by WETA. She added that the variance between the current year's budget and the estimated actual budget was attributed to savings of approximately \$200,000 in Vessel Maintenance expenses, and that FY 2014/15's budget was consistent with FY 2013/14's budget. Regarding marketing, Ms. Rannells added that this year WETA anticipated posting billboards as well.

Director DelBono asked if there was sufficient room in the budget for staff. Ms. Rannells replied that there was.

Director Donovan made a motion to approve the item. Director DelBono seconded the motion and the item carried unanimously.

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

12. AUTHORIZE STAFF TO SEEK PUBLIC INPUT ON PROPOSED FARE PROGRAM

Senior Planner Mike Gougherty presented this item requesting that the Board authorize staff to conduct outreach with riders and the general public to seek input on a draft fare program.

Regarding Mr. Gougherty's presentation which included a projection of an overall operations deficit, Chair Intintoli asked if it was not the case that WETA always operated at a deficit compared to farebox revenue. Ms. Rannells pointed out that the deficit was expenses vs. funding subsidies and farebox revenue combined. Chair Intintoli asked that if the subsidy increased, would the deficit decrease. Mr. Gougherty said that that was correct but that funding subsidies were relatively fixed and that fare revenues would be required to cover the difference over time.

Director DelBono asked why age six was the cutoff for a reduced fare for children. Mr. Gougherty said that there had been differences between the services but that the regional standard was six.

Director DelBono asked if there was any way to create a fare category for low income workers who needed assistance with transit. Mr. Gougherty replied that that would not typically be a fare category

but rather a program similar to what public utilities call a Lifeline program designed to subsidize qualified applicants with the purchase of standard fare products.

Ms. Rannells agreed that that would be a separate program that subsidized individuals, not a WETA program. Mr. Connolly noted that this would be challenging for an operator like WETA who served multiple counties. Director DelBono asked staff to consider it and Ms. Rannells said that she would look into what was available.

Director DelBono expressed concern regarding the end of military discounts. Ms. Rannells noted that they were a legacy fare product from a time when there were multiple military bases located in the community the ferry served.

Director DelBono pointed out that there was still an active USCG base in Alameda. Ms. Rannells pointed out that the Clipper discount would actually be larger than the military discount and agreed that there would need to be outreach to the community to make sure that this was understood. Chair Intintoli added that there should be outreach to veterans groups in Vallejo.

Chair Intintoli asked how Clipper worked and asked whether people would have to change if the old fare products were discontinued. Director Donovan replied that Clipper is very simple and worked like cash and is helpful for employers to verify employee expense reports. Director DelBono suggested that Clipper be included in future presentations.

Mr. Gougherty said that Clipper was increasingly the preferred method for employers who provide transit benefits to employees. Mr. Connolly added that Clipper was in wide use on the Alameda/Oakland, Harbor Bay, and South San Francisco routes, and that it had become the preferred method in Harbor Bay. Director DelBono asked if Harbor Bay riders tended to be younger. Mr. Connolly replied that they were daily commuters who appreciated the convenience of Clipper.

Director DelBono asked where the elderly could learn about Clipper in the case that it was confusing or frustrating for them to use. Chair Intintoli agreed that this was a concern and suggested that Clipper use be included as part of any fare presentation. Mr. Connolly said that it would be, especially in Vallejo, where riders may not be familiar with Clipper. Mr. Gougherty added that there were Clipper service centers in each community as well.

Ms. Rannells noted that there was a regional discussion regarding the next iteration of Clipper, referred to as "C2" and that a variety of technologies were being considered for inclusion.

Chair Intintoli asked if a computer was needed to obtain a Clipper card. Mr. Connolly replied that Clipper cards could be easily obtained without a computer at places such as Safeway and Walgreens. Mr. Gougherty added that the cards could be refilled at Clipper vending machines.

Chair Intintoli expressed concern over the increase in cost for the Vallejo to San Francisco commute monthly pass. Ms. Rannells noted that current five day a week riders received a 45% discount and that Clipper would deliver a 25% discount, even for less frequent riders.

Ms. Rannells noted that South San Francisco was a bit of a special case for Clipper fares since WETA knew what it needed to charge going in, and that there would be a high rate of Clipper use on that service. Director DelBono asked if there was any cash on South San Francisco. Mr. Connolly replied that it was almost entirely Clipper.

Director Donovan asked whether the Board would need to approve annual increases if the Board approved the final fare program in November. Mr. Taylor replied that the program would cover five years after approval by the Board. Ms. Rannells noted that new fares would not go into effect under

this program until July 2015. Mr. Gougherty added that this type of fare program was an emerging best practice with many transit agencies.

Chair Intintoli stated his concern for the 6% increases on monthly passes after previous attempts to adjust the Vallejo fares. Ms. Rannells noted that the City of Vallejo had attempted a 20% increase and that this was a more moderate approach. Director Donovan said that he looked forward to seeing the results of the public outreach and asked if the program would be revised if there was serious pushback at the public hearings. Ms. Rannells said the purpose of the public meetings was to gather feedback and that the draft program at hand was a basis for this discussion.

Public Comment

Jerry Bellows of the Maritime Administration noted that two ferry terminals had active military and the others did not, adding that the fare program should be consistent across services. He asked if other transit agencies offered military discounts.

Mr. Gougherty said he wasn't familiar with any but that they may exist. Mr. Connolly said that staff would look into it. Mr. Bellows said that the fare program was a step in the right direction.

Director Donovan made a motion to approve the item. Director DelBono seconded the motion and the item carried unanimously.

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

13. ADJOURNMENT

All business having concluded, the meeting was adjourned at 2:40 p.m.

Respectfully Submitted,

Board Secretary
