

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

(March 5, 2015)

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 Jody Breckenridge called the meeting to order at 1:30 p.m. Other directors present were Director Jeff DelBono, Director Timothy Donovan and Director Anthony Intintoli.

2. REPORT OF BOARD CHAIR

No report.

3. REPORT OF DIRECTORS

Director Del Bono reported that he had attended the Alameda City Council meeting on Tuesday, March 3 at which the Council considered the lease for WETA's Central Bay Operations and Maintenance Facility. He said that WETA staff had done an excellent job presenting the information and had secured a 4-to-1 vote in favor of the lease. Director Del Bono added that Vice Mayor Frank Matarrese had been hesitant to move forward in the absence of a guarantee regarding construction of a harbor seal haul-out. Director DelBono encouraged attendance at the March 17 meeting of the City Council in support of the project.

4. REPORTS OF STAFF

Executive Director Nina Rannells invited Manager of Planning and Development Kevin Connolly to comment on the Alameda City Council meeting. Mr. Connolly commended Alameda city staff with whom WETA had worked very closely for four years. He said that WETA had made appeals to the Councilmembers and had received support from three of the five members; however, four votes had been required for passage. He told the Board that given the tight timeframes on water construction, losing the vote would have set the project back by at least a year.

Ms. Rannells noted that at the February Board meeting, the Board authorized WETA staff to take action on the harbor seal haul-out issue and that WETA staff had drafted an MOU and for Alameda city staff. Senior Planner Michael Gougherty said the Alameda City Council had directed city staff to execute the MOU and that city staff had included the executed MOU in their mail-out to the City Council for their March 17 meeting. Director Intintoli asked if this was what the Council had requested. Mr. Gougherty said yes. Director Intintoli asked what would happen in the space of a year that would allow the project to move forward if the vote fails. Mr. Connolly clarified that his estimated year delay assumed that WETA would eventually get the seal haul-out work done and the vote for the project.

Ms. Rannells reminded the Board that what WETA had offered to do in terms of the seal haul-out was not a requirement of any of the permitting agencies. Chair Breckenridge said that WETA would move forward with the haul-out because out of concern for the species and as a matter of good faith. Mr. Connolly noted that WETA was not required to construct the haul-out by the permitting agencies.

Chair Breckenridge asked staff if Board involvement was desirable. WETA legal counsel Stanley Taylor of Nossaman LLP noted that the Board had previously authorized the haul-out agreement and that,

assuming WETA secured a favorable vote on the lease and haul-out project; the MOU would commit \$100,000.

Ms. Rannells then stated that WETA's contract operator, Blue and Gold Fleet, had received a letter from the Coast Guard outlining a proposed change to the manning requirements for small passenger vessels on San Francisco Bay. Director Intintoli asked about the impact of the proposed rule change on WETA's services. Ms. Rannells said WETA's computations showed that its financial impact would be at least \$1.7 million per year and that it would impact all WETA services. She added that the most significant impact would be on the Vallejo service.

Ms. Rannells said that she had reached out to the Coast Guard regarding the matter and hoped to meet with them to learn more about this initiative and the factors utilized in proposing such a significant change from existing and historic manning levels. Chair Breckenridge suggested that Ms. Rannells request that the Coast Guard change their notification process to ensure that WETA staff would be notified directly when there were changes which impacted ferry operations. Ms. Rannells responded that the request had been made.

Director Intintoli asked how many boats WETA would need to eliminate to mitigate the cost impact to the Vallejo service in the event that the Coast Guard is not flexible on the proposal. Ms. Rannells said that staff would look at all options for addressing the financial impact of any increased crewing requirements but that a reduction from a three-boats to two-boat service on the Vallejo service would potentially need to be considered given the magnitude of the impact and limited operating funds.

Director Intintoli asked if WETA should be approaching legislative representatives about this issue. Chair Breckenridge cautioned against premature action before WETA was more fully informed. She noted that these were issues of national safety standards which impacted everyone.

Director Intintoli said he would like to know the reasons behind the Coast Guard proposal, noting that the impact to service would be significant. Ms. Rannells agreed and said this was a priority item for WETA.

Chair Breckenridge said that WETA had some time but needed to move quickly to position itself ahead of any dramatic impacts. Director Donovan agreed. Ms. Rannells added that she would like a clearer understanding of what has caused the Coast Guard to seek a change in existing crewing levels and to see the analysis completed by the Coast Guard to justify the change. She noted that she is concerned that the Coast Guard had not reached out to WETA during the process, given that we are the legal owner of eleven vessels that they regulate.

Ms. Rannells noted that the change could affect Vallejo more than the Central Bay. She said that each Vallejo vessel would require two additional crew members, resulting in 12 additional crewmembers per day in addition to vacation relief.

Chair Breckenridge asked if there were any other questions on the Executive Director's report. Director Donovan asked if the closing of Sinbad's restaurant near the Ferry Building was a result of WETA's Downtown Ferry Terminal Expansion plan. Mr. Gougherty said that the timeline for vacating the space had been set by the Port of San Francisco and BCDC as a condition of the America's Cup project and that it would provide sufficient time to meet WETA's project development and construction timetable.

Director Intintoli noted that he had received complaints regarding Clipper Card sales at the Vallejo Terminal. Ms. Rannells replied that ticket sales personnel had been helping customers register cards, resulting in delays. She said that Vallejo staff instructed ticket office staff to discontinue card registration

within 30 minutes of a boat departure to ensure that everyone needing to purchase tickets could be served. She noted that staff is considering other options for streamlining the Clipper process.

Director Intintoli asked if cards needed to be registered prior to use. Operations Administrator Kevin Donnelly explained that registration was required for auto-load capabilities but that it could be used without registration. Mr. Donnelly said he had talked to sales personnel about ways to improve the process and that a conference call is planned with MTC to discuss improvements and address hardware and software issues.

Chair Breckenridge said it might be helpful to put signage up in the terminal letting people know they can purchase Clipper cards elsewhere. Manager of Public Information and Marketing Ernest Sanchez said that WETA was working on such efforts. Director Intintoli asked whether some terminals have a sales machine next to the ticket area. Ms. Rannells replied that Golden Gate had self-service Clipper machines that vend a single-ride ticket which can be reloaded with cash. She noted that there is a timing issue in installing vending machines at this juncture given that work is currently underway to design and develop the next generation of Clipper cards (Clipper 2.0).

5. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar which included the Board of Directors meeting minutes of February 5, 2015.

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

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

6. AUTHORIZE PUBLIC OUTREACH FOR BALLPARK FERRY SERVICE FARE CHANGES

Mr. Gougherty presented this item requesting that the Board authorize staff to initiate public outreach on proposed ballpark ferry service fare changes. He explained that staff had redrafted the item based on feedback received at the previous Board meeting. Director Intintoli said that the item was responsive to his concerns and suggested the Board proceed directly to a vote. Chair Breckenridge noted that Director DelBono had not been present at the previous meeting and gave him an opportunity to ask questions. Director Del Bono had no questions.

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

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

7. AUTHORIZE AGREEMENT WITH CONTRA COSTA TRANSPORTATION AUTHORITY (CCTA) TO PROVIDE AN OPERATIONAL SUBSIDY FOR FERRY SERVICE BETWEEN RICHMOND AND SAN FRANCISCO

Mr. Connolly presented this item requesting that the Board authorize the Executive Director to execute a Cooperative Agreement with Contra Costa Transportation Authority (CCTA) to provide and operational subsidy for ferry service between Richmond and San Francisco.

Mr. Connolly acknowledged the presence of Peter Engel of the Contra Costa Transportation Agency, Chad Smalley of the City of Richmond, and Mr. Alex Knox of Richmond Mayor Butt's office. Mr. Connolly noted that they were all instrumental in working out an MOU/Cooperative Agreement for funding the future Richmond service. He referred the Board to the CCTA Planning Committee's staff report, CCTA's standard funding agreement, and the MOU/Cooperative Agreement included in the

Board packet, noting that it had originated with WETA and had been developed in concert with the WCCTAC and CCTA.

Director Donovan asked if a Cooperative Agreement and an MOU were the same thing. Mr. Connolly confirmed that they were analogous and that the term Project Agreement might be used in some cases as well.

Chair Breckenridge asked whether the annual operating funds needed to be spent annually or if they could be carried over to future years. Mr. Connolly said that the agreement states WETA would be reimbursed for expenses for a minimum of ten years but that any excess funds could be used beyond that period. Chair Breckenridge asked the farebox recovery projections included in the agreement with CCTA were requirements of MTC funding. Mr. Connolly replied that there was no MTC operating revenue included the project.

Director Intintoli noted that fares had already been established and asked if WETA could revise fares in the future if necessary. Mr. Connolly said that the text of the Cooperative Agreement specified that any modification of the fare schedule would require the approval of the WETA Board. Mr. Connolly explained that WETA sought to establish a proposed fare schedule as part of the Cooperative Agreement in order to avoid any future confusion with funding partners. He said that the objective was to establish a proposed schedule of fares consistent with WETA's program up front, providing an annual opportunity to review and validate fares.

Director Intintoli said he was willing to vote to authorize but said he was concerned about adjusting fares once the fares were made public. Ms. Rannells said the concept of an MOU necessitated going through the exercise of estimating fares and calculating expected costs, deficit, and farebox recovery ratio.

Director Intintoli wanted to know if the fare schedule was realistic. Chair Breckenridge affirmed that it was. Ms. Rannells concurred based on current assumptions. Chair Breckenridge noted that it was anticipated that the Board would adopt a new 5-year fare program in Fiscal Year 2020 that would set fare rates for the period FY2021 – FY2026 and added that in light of fuel prices and other factors, she did not believe anyone would have an expectation that there would be no changes.

Public Comment

Mr. Alex Knox of Richmond Mayor Butt's office said the City considers the Richmond Ferry project a high priority. He said the Mayor was open to ways the City could help move the project forward, and expressed the support from the City Council, the residents, and the business sector for the project.

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

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

Chair Breckenridge closed the item by thanking WETA's partners for their support through the process and for their presence.

8. OVERVIEW OF ONBOARD RIDERSHIP SURVEY

Mr. Connolly presented an informational overview of the onboard ridership survey. He said WETA conducted onboard surveys in 2011 and 2014 and that these surveys had been used for marketing and planning and that they constituted a valuable tool. He said the 2014 survey took place in October, historically WETA's highest-ridership period. Mr. Connolly said that it was a written survey, consisting of

30 questions administered by a professional survey staff and that it had initially targeted 1500 respondents but had ultimately collected over 2,000 surveys.

Chair Breckenridge asked how passengers were accessing the Harbor Bay Terminal with its limited parking. Mr. Connolly said that there was an overall increase in the percentage of riders walking to the terminal.

Director Intintoli asked if the respondents were satisfied with the ferry crews. Mr. Connolly said the crews' interaction with the customers made a big difference in their experience and that they were rated highly in the survey.

Mr. Connolly said that satisfaction was also high in terms of customer access to terminals, noting that it was probably a reflection of the availability of parking when compared to other options such as BART, where parking is considerably more difficult. He said WETA also received high ratings from bicyclists and people with disabilities.

Director Donovan asked if the majority of those bicycling to the terminal brought their bikes onto the ferry. He also inquired whether there were bicycle parking facilities available at the terminals. Mr. Connolly said that the majority of bicyclists get on the boat with their bikes but that there was also high demand for bike parking at Main Street and at Harbor Bay.

Director DelBono asked if there was a program for making the ferry accessible to riders of all income levels. Chair Breckenridge asked if staff was aware of other transit systems with programs to subsidize low-income ridership. Mr. Connolly said this issue has been a topic of activity in the region for the last few years and that some pilot funding programs had occurred. Ms. Rannells said it was her understanding that such programs tended to be managed or administrated at a city or county level.

Mr. Gougherty said that part of the planning for the next version of the Clipper Card, Clipper 2.0, involved looking at a regional fare program for low-income riders. He said the company that built the Clipper system operates the Orca system in Seattle and had recently announced a program which would provide a lifeline discount on a regional basis. Chair Breckenridge expressed a desire to follow up on this issue.

Chair Breckenridge asked Mr. Connolly if he found anything surprising in the survey. Mr. Connolly said the terminal access numbers were surprising, particularly in Alameda. He said Alameda growing its ridership but is also impacted by limited parking.

Director Donovan noted that more people may be walking to the terminal because of the number of residents now living in downtown San Francisco doing a reverse commute. Mr. Connolly said that staff would continue to keep the board informed regarding terminal access.

Public Comment

Veronica Sanchez of Masters, Mates & Pilots said the presentations were very good. She said Masters, Mates & Pilots would be available to provide assistance in moving the Central Bay Project forward. She said that she had concerns about the proposed Coast Guard crewing requirements as well and didn't want to see boats taken out of service.

Chair Breckenridge said she was sure that that was not the desired outcome and that it was important to make sure Coast Guard understood the implications of such requirements.

Director Donovan asked that the information regarding customer satisfaction with the crews be passed along to them, citing the 85 percent satisfaction rate.

Public Comment

Spencer Dill of Orton Development welcomed the important developments in the Richmond service, expressing the desire to help in any way possible.

9. RECESS INTO CLOSED SESSION AND REPORT OF ACTIVITY IN CLOSED SESSION

Chair Breckenridge called the meeting into closed session at 2:21 p.m. Upon reopening of the meeting at 2:44 p.m. she reported that no action had been taken.

10. ADJOURNMENT

All business having been concluded, the meeting was adjourned at 2:45 p.m.

Respectfully Submitted,

Board Secretary
