

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

(January 8, 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 1:07 p.m. and led the pledge of allegiance. Other directors present were Director Jeff DelBono, Director Timothy Donovan and Director Anthony Intintoli.

2. REPORT OF BOARD CHAIR

Chair Breckenridge noted a feature in the Contra Costa Times listing a ride on San Francisco Bay Ferry as the number one recommendation for things to do over the holidays.

3. REPORT OF DIRECTORS

No reports.

4. REPORTS OF STAFF

Executive Director Nina Rannells referred the Board to her written report and offered to respond to any questions.

Chair Breckenridge asked for an update on the ferry terminal refurbishment projects and the results of the December 17 walkthrough. Operations Administrator Kevin Donnelly reported that everything had looked good with only minor zinc work and some plex install remaining, and that the terminal was operational for Monday morning service as scheduled. Ms. Rannells noted that the Harbor Bay Terminal project would be pushed back slightly to January 24. Director Donovan asked if there would be a cost impact as a result. Mr. Donnelly replied that there may be some minor adjustment due to the schedule change but that the project should remain within budget.

Regarding the new vessels, Director Donovan asked about break areas for crew. Ms. Rannells replied that Operations Manager Keith Stahnke had scheduled several meetings union representatives, crew members and Blue & Gold Fleet personnel on the subject and that those meetings had helped to inform the vessel design.

Chair Breckenridge referred to the Operations Report, asking if the ridership decrease was attributable to the holiday and seasonal changes. Ms. Rannells replied that that was correct, also noting that 2013 ridership had had been significantly boosted as a result of the two BART strikes and that 2014 was still strong in comparison. She added that while ridership was always impacted by regional events such as the World Series, WETA was continuing to see significant increases over recent years. Director Intintoli said that it was hard for people to get out of their cars, but once they did, they tended to prefer the ferry. Director DelBono noted that BART ridership was at record levels and asked if it was a result of highway congestion or something else. He added that if the increased ridership was a sign of sustained growth that WETA needed to be prepared for the future.

Ms. Rannells said that Manager of Planning and Development Kevin Connolly was carefully tracking ridership trends with an eye toward service planning. She noted that he was looking at ways to tweak schedules and optimize service by looking at which runs were in the “red zone” for capacity. Ms. Rannells said that vessels were the limiting factor in terms of meeting potential demand. Director DelBono recommended that the need to address anticipated capacity be added to the Strategic Plan. Chair Breckenridge noted that it was important to identify the reason behind the growth and to respond to it appropriately so that WETA was not in the position of playing catch-up in the future.

Director Intintoli asked for an update on the North Bay Operations and Maintenance Facility. Senior Planner Chad Mason reported that brick rehabilitation work had been completed, new metal warehouse building was expected to be completed within the week, some tweaks to the underground delivery systems would soon be completed, and removal of contaminated materials was at 50%. Mr. Mason added that staff would be meeting with the waterside contractor soon to review 50% design, after which 100% design would occur quickly. Mr. Mason said that staff continued to work with the US Navy on wrapping up the NEPA process and that he anticipated bringing the Navy’s lease to the Board for approval in the near future.

Chair Breckenridge asked if Mr. Mason anticipated any issues in completing the NEPA process with the Navy. Mr. Mason said that he did not, adding that the Navy had allowed WETA to utilize its own consultant to expedite the work. He said that the work would be completed but that the floats on the finger floats needed to be widened, work which required a final revision prior to signing off on NEPA.

Public Comment

Jerry Bellows of the Maritime Administration asked for an update regarding Berkeley ferry service, specifically regarding the use of low draft vessels to access the selected terminal location in lieu dredging to a lower depth.

Mr. Connolly replied that there did not appear to be any issues of performance or capacity with the use of shallow draft vessels. He added, though, that this approach would limit the accessibility of other WETA vessels to the Berkeley terminal during low tides.

Mr. Bellows said that he understood that Berkeley service was on hold until the city identified a source of funding and asked if the Richmond service was in a similar position.

Mr. Connolly replied that this was not the case with Richmond, as this service had the support of Contra Costa County Measure J transportation sales tax funds to support operations and that this project was moving forward.

Chair Breckenridge asked if there was anything significant to report in the Legislative Update. Ms. Rannells that incoming Congressman Mark DeSaulnier had replaced Congressman George Miller the prior week. Ms. Rannells noted that Mr. DeSaulnier was familiar with public transportation and WETA specifically, both as a former Board Member at MTC and as Chair of the Committee on Transportation in the California State Senate.

Director DelBono said that he planned on meeting soon with WETA Federal Legislative Representative Peter Friedmann of Lindsay Hart, LLP to offer his assistance. Chair Breckenridge said that there would not be much to do until Congress was in session. Ms. Rannells said that Mr. Friedmann would likely present an in-person report to the Board in the near future.

5. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar which included the Board of Directors meeting minutes of December 11, 2014.

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

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

6. INFORMATIONAL PRESENTATION BY WIND + WING TECHNOLOGIES

Ms. Rannells introduced Jay Gardner of Wind + Wing Technologies who delivered an informational presentation to the Board regarding a wind assisted ferry demonstration project. Ms. Rannells noted that Mr. Gardner had presented to the Board in the past and that several years earlier the Board had authorized a letter of support for Mr. Gardner's project to the Bay Area Air Quality Management District which had helped the firm obtain grant funding to construct a test vessel.

Mr. Gardner introduced Charlie Bogue, who reviewed the demonstration project and test results.

Director DelBono asked what the price difference would be for a 500 passenger vessel. Mr. Bogue said that efforts had focused on a 149 passenger vessel and that preliminary estimates were in the \$7-8 million range.

Director Donovan asked if the vessels could navigate shallow waters. Mr. Bogue said he saw no reason why they would not.

Chair Breckenridge asked if it would be a catamaran or a trimaran. Mr. Gardner said definitely a catamaran. She then asked how the vessels would perform in high wind. Mr. Bogue said that the vessel would be designed around the anticipated wind variation but that the wing could always be turned off. Mr. Gardner said the wing had feathered in 30 knot wind and had been absolutely silent. Chair Breckenridge asked if this kind of technology was being used commercially anywhere in the maritime community. Mr. Gardner referred to the University of Tokyo vessel being built with adjustable wings. He said that his technology and the wind capacity in the Bay was the ideal environment to implement this technology.

Director Donovan asked how long it would take to build and if it would be suitable for Treasure Island service. Mr. Bogue said it was an ideal service and that construction of a vessel would be 1.5 to 2.5 years. Mr. Bogue said in meeting with the City regarding Treasure Island that the City felt a 149 passenger vessel was sufficient depending on frequency and that it sounded like there would be some funding available.

Chair Breckenridge asked if it would be challenging to train crew for this type of vessel. Mr. Gardner said all that was required was the ability to operate a throttle.

Director Donovan asked what kind of maintenance these vessels would require. Mr. Gardner said that flange bearings were the only specialized maintenance required.

Chair Breckenridge asked if the hull would be composite. Mr. Gardner said that a 149 passenger vessel could be composite but that any larger would be metal. He said that there would be no need for special maintenance of the hull as long as the vessel did not crash. Chair Breckenridge asked if the hull or the wing would require maintenance first. Mr. Gardner said the hull but that he envisioned it lasting 20 years or more.

Chair Breckenridge said that it was very interesting technology. Mr. Gardner quoted the California Air Resources Board saying it was the most bang for the buck they had seen and that they suggested there would be cap and trade funding available for such technology.

Chair Breckenridge asked Mr. Gardner if he could have a wish for his next step, what would it be? Mr. Gardner said that he felt the Treasure Island service was ideal for his vessel.

7. APPROVE FY 2015/16 ADMINISTRATIVE SUPPORT PROFESSIONAL SERVICES CONTRACTS PLAN

Ms. Rannells presented this item requesting Board approval of the proposed Administrative Support Professional Services Contracts Plan and to authorize the Executive Director to enter into negotiations with firms to extend agreements through June 30, 2016 and bring contracts back for Board approval prior to July 1, 2015.

Director DelBono asked for clarification that these contracts would be presented to the Board for approval upon successful negotiation.

Director Donovan asked if these agreements were reflected on the Executive Director's financial report. Ms. Rannells replied that most were included under "services" with the exception of the marine engineer agreement, which was reported under Vallejo.

Director DelBono asked when these contracts were last put out to bid. Ms. Rannells replied that each contract was bid out at different times and that each contract recommended for extension through FY 2015/16 is explained in more detail in the memorandum. As an example, she noted that the contract for general counsel services currently provided by Nossaman LLP was originally awarded in 2004. Prior to utilizing Nossaman, WETA contracted with the State of California for general counsel services. She explained that over the years, Nossaman LLP has developed in-depth knowledge of the WETA organization and that this strong working knowledge provides value to the staff and work of the organization, and, for this reason, she recommends extending the contract with Nossaman through FY 2015/16.

Chair Breckenridge reminded the Board about previous conversations regarding the budget and the need for a strategic plan and approaching both the capital and operating budget in a systemic way so that WETA would know where the sources of funds were as WETA had no "rainy day fund" which is a vulnerability. Chair Breckenridge also noted that an update to the emergency response plan was overdue. She said that although she favors open competition in general, that it made sense to maintain the current contracts and take advantage of the accumulated specialized knowledge and support offered by these firms this year as WETA focuses work on updating its plans and work program.

Director DelBono noted that last time this topic had been discussed it had been asked if these contracts were a good value to WETA. Ms. Rannells said that she believed that they were. She said that some were fixed-fee, which was harder to assess or quantify but that these firms were on the ground, creating relationships for WETA and available as-needed.

Director Donovan asked if the dollar amount of these agreements would be increasing and if Ms. Rannells had a percentage increase in mind. Ms. Rannells replied that it was her intent to hold the contracts at or near the FY 2014/15 year rate. Director Donovan asked when these would be brought back to the Board and expressed his concern that sufficient time be allotted in the process to go out to bid for new contracts in the event that the negotiations not result in a favorable outcome.

Chair Breckenridge asked that if any significant concerns occur during negotiations that it be brought to the Board's attention as soon as possible.

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.

8. FUTURE PROJECT AGREEMENTS WITH FERRY DEVELOPMENT PARTNERS

Mr. Connolly presented this informational item to the Board, noting that staff was currently developing agreements with public agency partners for four projects that would ultimately be considered by the Board for adoption or approval. He noted that these agreements were broadly intended to define a project and its service level, establish roles for project agency partners and provide for funding responsibilities and advocacy, noting that the item at hand was intended to provide a general introduction in advance of project-specific agreements that will be brought to the Board later that year.

Chair Breckenridge asked Mr. Connolly to speak to the subject of expansion and operating funds. Mr. Connolly said that this was at the center of these documents, and that each uses a template that requires a 10-year commitment of operating funding. He used the example of the planned services for Berkeley and Richmond, noting that Richmond had worked to identify and commit a 10-year source of funding to support a new ferry service whereas Berkeley had not. Mr. Connolly said that it was impractical to plan a new service without identifying a reliable funding source.

Director DelBono asked how to respond to concerns which implied that one service was financially carrying another, as in the case of Alameda subsidizing Oakland service. He also asked if funding for all services was considered together or if it was specific to each service. Mr. Connolly first noted that each service must be able to sustain itself, and secondly, that it was essential that no individual service have a negative impact on the other services.

Regarding Alameda service, Mr. Connolly specifically noted that Alameda did not subsidize Oakland, and that if anything, Oakland subsidized service to Alameda. He noted that this was one of the reasons a project agreement was important. Mr. Connolly added that working through this process had also allowed Alameda to envision Seaplane Lagoon as an additional terminal rather than as a replacement for the Alameda Main Street Terminal.

Chair Breckenridge stated WETA needed to look at funding sources from counties and not just cities, and that engagement at all levels was essential. Ms. Rannells agreed, noting that the operating funding structure for the South San Francisco service is an example of what staff is working to avoid with any future new ferry services. In administering operating funds for South San Francisco service, MTC will only guarantee funding for three years. In the event that the new service does not meet very rigorous farebox recovery requirements, MTC reserves the right to cancel the funding or fund it on a year-by-year basis. This limited commitment does not work when you are trying to build a long-term ridership base for a completely new ferry service. She said that all project agreements will be a little different but that WETA needed a serious commitment from communities wanting new service.

Director Donovan asked if there would be multiple iterations of the project agreement for Seaplane Lagoon. Mr. Connolly said that ideally the agreement would evolve through development and analysis into what would eventually become the operating agreement.

Ms. Rannells added that the first three projects listed in Mr. Connolly's memo had already completed environmental. Ms. Rannells noted that as projects evolved, assumptions may change. By way of example, she explained that an MOU had already been in place for the environmental work on the Downtown Ferry Terminal Expansion Project, but now that the Project was moving into the design and construction phases that a second MOU was important.

Public Comment

Chad Smalley, Capital Projects Manager, City of Richmond, commended staff for moving forward with utilizing project agreements as a way of putting together a shared vision for expansion projects. He expressed confidence that a Richmond ferry service would significantly out-perform the South San Francisco service. He said that Richmond service would be WETA's first expansion project to connect with an integrated, growing commercial and residential community.

Chair Breckenridge said that WETA was looking forward to the expansion and thanked Mr. Smalley and the City of Richmond for their work moving the project forward.

9. WETA 2015 SHORT RANGE TRANSIT AND STRATEGIC PLAN OVERVIEW

Mr. Connolly presented this informational item to the Board, explaining that the Short Range Transit Plan (SRTP) was a planning document required by MTC to meet the FTA requirements of all agencies which received federal transit funding. He said that MTC administered a grant program for the production of the SRTP and generally required agencies to produce an updated SRTP every two to three years. Mr. Connolly added that the last WETA SRTP had been adopted by the Board in January 2013, and the 2015 SRTP would be scheduled to be adopted by the WETA Board in September 2015.

Director DelBono commented that the Strategic Plan was more a visionary document and that the SRTP was based on current constraints. Mr. Connolly agreed that this was an accurate characterization. Chair Breckenridge added that the SRTP was a guideline and not a limiting document but that it did provide a sense of direction and an opportunity for feedback on any points of contention.

Director Intintoli asked how the public could be involved in the process. Mr. Connolly pointed the Board to his draft schedules for both the Strategic Plan and the SRTP, noting that each contained a public component. Chair Breckenridge noted that it was an aggressive schedule. Ms. Rannells said that Mr. Connolly's schedule was based on meeting a September due date, a typical schedule issued by MTC but that this schedule could be adjusted in the event that more time is needed.

Chair Breckenridge noted that the Strategic Plan schedule included a component on emergency response and asked if emergency response coupled with passenger service would be included in the Plan. Ms. Rannells replied that a new emergency response plan would be a third plan and that Staff was currently developing a work scope for this effort. She said that emergency response was part of the Strategic Plan insofar as what WETA's strategic goal would be regarding passenger capacity and would be less specific than the emergency response plan.

Chair Breckenridge asked how the Bay Area Core Capacity Study timeline meshed with these. Mr. Connolly said that the Core Capacity study was on a longer time frame of two years. Ms. Rannells noted that WETA's Strategic Plan would be a very helpful document to have in-hand to help inform the MTC-lead Core Capacity study.

Chair Breckenridge said that in addition to the regular public ridership that WETA served, she would like to see a specific plan to engage local companies in the region to find out what kind of growth they were projecting and where they projected their future workforce would reside. She said that the larger

companies were already heavily involved in transportation arena and doing things. She said that whatever data could be obtained from municipalities or MTC could serve as a validation that WETA had complete alignment regarding where growth was occurring so that the best information would be available for the Strategic Plan and to inform WETA's vision.

Director Donovan said that the City of San Francisco had a committee on workforce investment which might have some of this information available.

Chair Breckenridge said WETA also needed to take a hard look at Hayward, Fremont, San Jose, Santa Clara and the whole South Bay tech corridor. She said that as traffic got worse, people would not live there and would move further out and that there would be more buses and that WETA needed to know how they would play into all of that.

Public Comment

Veronica Sanchez, Masters, Mates & Pilots noted that the WTA's enabling legislation required a Community Advisory Committee and asked if it the WETA had the same requirement. She said she thought that it was an effective way to receive input from policymakers.

WETA counsel Stanley Taylor of Nossaman LLP said that it was permissible but not mandatory.

Public Comment

Mr. Gardner said that Richmond would be an ideal service for wind. He said that once WETA spent funds to purchase vessels that that money would be gone but that Wind +Wing's wind assist vessel would pay for itself in three years and last as long as a traditional vessel. He said that greenhouse gas emission reductions were on the table and stressed the importance of planning for this.

Public Comment

Mr. Bellows wished the Board a happy new year and said that he thought WETA was doing a great job with the planning initiatives and agreements with stakeholders, saying it would be a very exciting year. He added that wind power was an up-and-coming technology and that MARAD was supporting a wing sail for the *Golden Bear*. He said it was not applicable to ferries but that it was helpful to vessels sailing long distances in one direction. Mr. Bellows added that wind technology deserved consideration.

Chair Breckenridge said that having a vision for where WETA wanted to be in ten years highlighted the importance of strategic planning and that she appreciated the public comments.

10. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:02 p.m.

Respectfully Submitted,

Board Secretary
