

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

(September 3, 2015)

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

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:03 p.m.

2. PLEDGE OF ALLEGIANCE AND ROLL CALL

Chair Breckenridge led the Pledge of Allegiance. Other directors present were Director Timothy Donovan, Director Anthony Intintoli, and Director Jim Wunderman.

3. REPORT OF BOARD CHAIR

Chair Breckenridge welcomed Director Jim Wunderman to the Board. She noted that Director Wunderman was currently the CEO of the Bay Area Council (BAC) and was familiar with and knowledgeable about the Water Transit Authority (WTA) and its legislative transition to the Water Emergency Transportation Authority (WETA). Chair Breckenridge stated that the BAC had a history of interest in Bay Area transportation and that a BAC report had been instrumental in creating WETA.

Director Wunderman thanked the Board said that the BAC membership included the biggest and fastest growing companies in the Bay Area. He explained that the BAC recognized the importance of water as a transportation mode as well as its importance in emergency response for the region. He said that BAC members, especially those on the peninsula such as Google and Facebook, consider water transit critical for the future and that at the last BAC board meeting a presenter kicked off the meeting with a presentation about the critical need for ferry service. He said that he was excited that Governor Brown had appointed Jody Breckenridge to Chair the WETA because she brought strength and leadership to the Board. He added that he was looking forward to working with WETA and commended the Board and staff on what had been achieved to date.

Director Wunderman also introduced BAC Policy Associate Emily Loper, who he said would be assisting him in bringing resources from the business community and the BAC to further common interests.

4. REPORTS OF DIRECTORS

No reports.

5. REPORTS OF STAFF

Executive Director Nina Rannells shared her written report with the Board and welcomed any questions or comments. She introduced Senior Planner Chad Mason who shared a short video of the launch of the new regional spare passenger float prior to beginning its journey from Oregon to San Francisco. He said that float construction had been completed the prior week by Gunderson Marine in Portland. Mr. Mason explained that the float would serve myriad purposes, including expanding emergency response capacity and as a backup float in Vallejo during the upcoming dredging project.

Ms. Rannells added that the passenger float presently in Vallejo was inherited when WETA assumed operations from the City of Vallejo. She explained that it had been used as a replacement float when

the Vallejo terminal had previously been dredged. Construction of the new float, she noted, created opportunities that would further efficiencies and provide a resource across WETA terminals, especially in the event of an emergency.

Mr. Mason also shared an update on the North Bay Operations and Maintenance Facility, noting that the pile driving work which had begun on August 3 had been completed. He explained that the majority of the pile driving had been done with a vibratory hammer and that only two noise complaints had been received on the final day and were resolved the same day with completion of the work. He further explained that these piles would support new floats presently under construction and due to arrive at the facility in October and that they would be outfitted similarly to the new passenger float, with ramping and more complex systems to support fueling.

Director Donovan asked if Building 165 in Vallejo was still part of the plan. Mr. Mason said yes and noted that the Certificate of Occupancy for the building was expected in the coming weeks. Chair Breckenridge pointed out that the North Bay Operations and Maintenance Facility had been envisioned more than eleven years ago by the City of Vallejo and said that its completion was long-anticipated and a major achievement for WETA.

Ms. Rannells reminded the Board that WETA would be participating in the Urban Shield Yellow Command emergency response exercise planned for Friday, September 11. She said that Chair Breckenridge would be in attendance at the Regional Emergency Operations Center (REOC) in Walnut Creek and that Directors Donovan and Intintoli would be at the WETA Emergency Operations Center (EOC) at WETA offices.

Ms. Rannells also reported that she and WETA staff had been working collaboratively with the U.S. Coast Guard on manning requirements for all WETA vessels. She noted that she anticipated a resolution that would support current staffing levels for WETA's services and vessels. Chair Breckenridge noted that the time and work invested in examining manning requirements for the existing fleet would likely provide valuable information for future discussions with the Coast Guard on establishing manning levels for the new, larger, vessels that are currently under construction.

Ms. Rannells advised the Board that WETA would be adding service over the Labor Day holiday weekend due to the scheduled closure of the BART transbay tube. Chair Breckenridge commended staff for their planning to support the BART closure, as well as the outreach to riders and the media about the added service

Director Wunderman asked if staff had issued a press release to encourage more media coverage. Ms. Rannells confirmed that this had been done. She further noted that staff had been invited to speak on KQED's Forum program with Michael Krasny on September 9. She said Manager of Planning and Development Kevin Connolly would be discussing ferry service in the Bay Area on the radio program along with Director Wunderman, speaking on behalf of the Bay Area Council. Director Wunderman said the topic of the upcoming Urban Shield Yellow Command emergency response exercise would be important to include in that discussion as well.

Ms. Rannells advised that she was invited to speak with the Programming and Allocations Committee and the Commission at MTC along with Kathleen Kelly, AC Transit Interim General Manager and Grace Crunican, BART General Manager on Wednesday, September 9. She said the points of discussion would include recent increases in Bay Area transit ridership, what the agencies were doing to address the increased demand in the short term, and ideas being considered to address increased ridership demand in the long-term. She noted that this was an informational discussion meant to inform the Commission as to the issue and potential solutions.

Chair Breckenridge referred the Board to page six of the Executive Director's report noting that based on current fuel usage levels Senate Bill X1-7 and Assembly Bill X1-8 would increase WETA's system-wide fuel costs by approximately \$79,000 while increasing State Transit Assistance funding to WETA by about \$900,000 using the current STA formula if passed.

Ms. Rannells reported that she had attended an Informational Hearing at MTC on August 21 that had included MTC Executive Director Steve Heminger, Bay Area Council Senior Vice President of Public Policy Michael Cunningham, and SPUR Regional Planning Director Egon Terplan. She said that the running thread was more funding to support Bay Area transportation needs.

Director Donovan asked for an update on the Seaplane Lagoon study for Alameda and if the project was going to be pursued privately. Chair Breckenridge said that WETA was working with the Alameda City staff on the proposed project which was in a waiting period until WETA heard back from the City staff. She reminded the Directors that the project was still exploratory.

Director Donovan asked if there was any update or time estimate on when the fiftieth residential unit on Treasure Island would be built, triggering ferry plans for the island. Mr. Connolly replied that there was a general working assumption that ferry service for the island would be up and running sometime between 2021 and 2022.

Public Comment

Veronica Sanchez of Master, Mates & Pilots said it would be helpful to get a summary of the projects and funding requests WETA was pursuing with MTC and other agencies, so, as stakeholders and supporters, she and her organization might be able to provide some assistance with furthering WETA's objectives. Chair Breckenridge said that such a list was currently in the works and thanked Ms. Sanchez.

Ms. Rannells referred to the Operations Report, Attachment A, and said she wanted to emphasize that ridership increased by 15 percent from July of 2014 to July of 2015 he extended a special thank you to Blue & Gold Fleet for their work supporting such a dramatic increase in ridership growth.

Chair Breckenridge directed the Board's attention to the financial statements and Director Intintoli stated that the farebox recovery on three of the routes was above the MTC threshold and that the numbers for South San Francisco were particularly impressive given the short amount of time it had been operating.

Ms. Rannells referred the Board to Federal Legislative Board Report and pointed out that staff's primary focus at this time was completion of the FTA Ferry Discretionary Grant Program application, due in October.

6. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar which included the Board of Directors meeting minutes of August 24, 2015.

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

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

7. APPROVE ON-CALL PLANNING, MARINE ENGINEERING AND PROFESSIONAL SERVICE LIST AND CONTRACTS

Mr. Mason presented this item requesting that the Board approve a list of on-call planning, marine engineering and professional services consultants, to be valid for up to five years and authorize the

Executive Director to negotiate and execute individual agreements with these consultants on an as-needed basis in an amount not to exceed \$150,000 per agreement per year.

Mr. Mason explained that WETA had initiated a practice of sourcing and securing qualified contractors to provide work in planning, engineering and professional services in 2010. Mr. Mason noted that this had allowed WETA direct access to specialized services and to effectively manage peak workloads on short notice.

Mr. Mason further explained 37 Statements of Qualifications (SOQ) had been received in and all were responsive. Mr. Mason said that the SOQs had not been scored and ranked because of the large number received and the wide variety of highly specialized services presented. He said the contacts would be executed on an as-needed basis and actual expenditures would be authorized on a task order basis within established annual budget limits. Mr. Mason concluded his presentation by confirming that approval of the item did not guarantee any offeror any work.

Ms. Rannells said that this particular SOQ process had proven to be an invaluable tool in augmenting WETA's small staff with professionals to assist staff in planning, program development, and engineering and maintenance of its assets. She added that she was appreciative of the Directors' consideration of the item. Director Donovan clarified with Ms. Rannells that approval of the item would not prohibit the Board from approval of contracts to providers not on the list in the future and Ms. Rannells confirmed that it would not.

Director Donovan made a motion to approve the list as presented. Director Wunderman seconded the motion and the item carried unanimously.

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

Director Donovan made a motion to approve the authorization of the Executive Director to utilize the list as presented in the item. Director Intintoli seconded the motion and the item carried unanimously.

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

8. APPROVE A SOLE SOURCE CONTRACT WITH MARINE JET POWER AB FOR WATERJET SUBCOMPONENT REPLACEMENT PARTS ON INTINTOLI

Manager of Operations Keith Stahnke presented the item recommending approval of a sole source contract with Marine Jet Power AB (MJP) for waterjet subcomponent replacement parts on the vessel *Intintoli* and authorizing the Executive Director to negotiate and execute an agreement in an amount not to exceed \$477,000.

Mr. Stahnke explained that the sole source procurement was being recommended because there were no other manufacturers of the specific parts needed to maintain and repair the waterjets currently installed on the vessel *Intintoli*. He further noted that MJP had supported the repair and maintenance of the waterjets since 1997, when they were first put into service. Mr. Stahnke explained that the parts would be installed by a shipyard in a competitive Request for Proposal process and that the sole source procurement was set forth in the WETA Administrative Code allowing for procurement of items non-competitively when there was only a single source available and also permitted under Federal regulations.

Chair Breckenridge confirmed that replacement of the waterjets would exceed the cost of the replacement parts to rehab them.

Director Wunderman asked how staff had determined that replacement parts were not available from a manufacturer other than MJP. Mr. Stahnke explained that the *Intintoli* waterjets were manufactured by MJP and that MJP was the sole source globally for their parts. He added that the waterjets could be replaced providing more options for parts procurement but that would be at a much greater cost. Mr. Stahnke further noted that the overhaul of the waterjets would improve overall vessel reliability and reduce operating and maintenance costs.

Director Wunderman asked if the need for the waterjet replacement parts had been anticipated in the capital budget or if it had arisen suddenly. Mr. Stahnke explained that the project had been anticipated and further noted that staff anticipated that the cost for the waterjet overhaul to be offset within four or five years by the vessel's resulting fuel savings. Ms. Rannells pointed out that this and the following item were related to the larger project of routine and major maintenance programs to ensure safe and efficient operations of the WETA fleet.

Mr. Stahnke noted that the request had been released for a shipyard to do the work to be completed by the end of the scheduled maintenance window in February 2016. Ms. Rannells further explained that there were federal funding requirements and restrictions which contributed to the decision to order the parts now and that those required a long lead time and a lot of planning.

Director Wunderman asked how long the work on the waterjets overhaul would take once parts had been received, and Mr. Stahnke said the work was estimated to take 60-70 days. Director Wunderman asked for confirmation that the waterjet overhaul work related to the recommended item would be done at the same time, by the same shipyard, as the following item regarding reduction gear subcomponent replacement. Mr. Stahnke confirmed that all of the work related to Items 8 and 9 on the agenda would be performed by the shipyard simultaneously, and that the shipyard award would also include some additional miscellaneous maintenance work.

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

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

9. APPROVE A SOLE SOURCE CONTRACT WITH ZF MARINE LLC FOR REDUCTION GEAR SUBCOMPONENT PARTS REPLACEMENT ON INTINTOLI

Mr. Stahnke presented this item recommending approval of a sole source contract with ZF Marine LLC (ZF) for reduction gear subcomponent parts on *Intintoli* and authorizing the Executive Director to negotiate and execute an agreement in an amount not to exceed \$196,000.

Mr. Stahnke explained that ZF had been supporting their repair and maintenance since the vessel was first delivered in 1997. He noted that the upgrades that would be performed with the ZF reduction gear would improve overall vessel reliability and reduce operating maintenance costs. He confirmed that the cost associated with this item was included in the budget.

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

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

10. APPROVE CORRECTIVE ACTION PLAN FOR SOUTH SAN FRANCISCO FERRY SERVICE FOR SUBMITTAL TO THE METROPOLITAN TRANSPORTATION COMMISSION

Mr. Kevin Connolly presented this item requesting Board approval of a Corrective Action Plan for South San Francisco service for submittal to the Metropolitan Transportation Commission (MTC) as required.

Mr. Connolly shared the background and history of the South San Francisco service as well as an overview of how the service was currently being evaluated by MTC. He said that MTC required any ferry services that did not meet a farebox recovery of 40 percent by year three of operations to create and submit a Corrective Action Plan (Plan) for the Commission's approval. He noted that the 40 percent requirement was the highest of all modes in the region. Mr. Connolly reviewed the proposed WETA Corrective Action Plan with the Board.

Director Intintoli asked if the constant threat of disruption or cancellation could have a negative effect on South San Francisco ridership and Mr. Connolly said that the concern had been raised with MTC on several occasions.

Chair Breckenridge asked how rail and bus service was measured and Mr. Connolly said it was measured on route and extension.

Mr. Connolly noted that South San Francisco service had more than tripled its ridership during its three years of service and that overall system-wide ridership had grown by 42 percent in the same time period. He further explained that the Harbor Bay service route took 14 years to reach the 40 percent farebox recovery and had about the same return after 10 years of service as the South San Francisco had just after three years of operation.

Director Wunderman asked what loads the South San Francisco vessels were typically seeing and what the numbers would look like if they were operating at capacity. Mr. Connolly said the service was generally served by WETA's 149-passenger vessels and that capacity could be ramped up to support more demand as the service grew by using higher capacity vessels. He said he expected that such a vessel would be needed within about a year if service continued to grow and he was confident that the 40 percent farebox recovery would be met by year eight or nine.

Mr. Connolly said that the South San Francisco service had the highest number of riders who used their bikes to get to the terminal at 43 percent and that many riders also used the San Mateo County operated shuttles to access the terminal. He further noted that the ferry service encouraged transit-oriented development in South San Francisco including over two million square feet of new office and commercial space that was already planned for Oyster Point within the next three years.

Chair Breckenridge said there was potential that the research campus being built in Richmond may provide opportunities for a north/south route that may intelligently feed into the South San Francisco interlining of crews and vessels.

Mr. Connolly said three years for evaluation of a service route was not enough time to measure a service's performance and that 10 years, the number used by the WETA Board and most other agencies, was more realistic. He said WETA would be asking MTC for a redefinition of the performance criteria. Director Wunderman noted that when BART built its extension to the San Francisco Airport, people were worried that it would have no ridership but those concerns were alleviated with farebox recovery and steadily increasing ridership on the route. He requested a better understanding why the ferry system had been held to a higher standard than other transportation systems in the. He said there may be logic in it but the logic most certainly did not work in WETA's favor.

Ms. Rannells noted that another important point to consider when looking at the numbers was that the process, time and investment resources required to create a bus route, which utilizes existing streets and infrastructure, versus creating a ferry service route were very different. Significant time and financial investment went into completing environmental studies, permitting, terminal design and

construction and vessel construction to support the implementation of new ferry service to South San Francisco and three years was not enough time to allow for full development of a ridership base. She said all of these things would be a part of the conversation with MTC staff in discussing the future of the service and the Corrective Action Plan.

Public Comment

Michael Setty, a public transportation veteran of 21 years agreed that the three years was not ample time to measure a service.

Public Comment

Ms. Sanchez of Masters, Mates & Pilots said she had been on the WTA staff at the time the performance criteria was decided and that the 40 percent farebox target number was not based on anything real other than a copy and paste into the legislation of the number that had been used for the Vallejo ferry service at the time. She asked Ms. Rannells if there were plans to brief the Programming Committee on the issue before submitting the Corrective Action Plan to the Commission, and Ms. Rannells said there were no plans yet because the initial meeting would be a more informal discussion with MTC staff. Ms. Sanchez said County of San Mateo District 5 Supervisor Adrienne Tissier could be a point person on the Programming Committee for WETA's concern. Chair Breckenridge said that WETA may request future support from Ms. Sanchez and Ms. Tissier and that such requests would be sorted in order of priority along with the other pressing concerns. Chair Breckenridge reiterated that preliminary discussions would take place with MTC staff leading up to the more formal meeting and discussions as a part of the Commission process.

Public Comment

Nathan Nayman of Tideline Marine Group asked if there was any further information about WETA's onboard survey and specifically if there were details about where riders arriving at the South San Francisco terminal originated. Mr. Connolly said he would be happy to provide that information to Mr. Nayman.

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

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

11. STATUS REPORT ON WETA STRATEGIC PLAN EFFORTS

Chair Breckenridge opened the discussion by providing a brief history of WETA's initial assumption of assets and service routes from various municipalities. She explained that the strategic planning objective grew out of the transition from historically obligated service commitments to recognition of the need for more robust service offerings in response to Bay Area transit demands.

Mr. Connolly presented this informational item on the status of the Strategic Plan. He reminded the Board that the purpose of the Plan was to define a WETA vision for the next 20 years and explained that other planning efforts such as the Short Range Transit Plan, Access Plans, and even seasonal service plans would ultimately be guided by the policy vision established in the final Board adopted Strategic Plan.

Mr. Connolly further noted that efforts on the Plan had begun with the initial presentations and workshops with the Board and the public last spring. He said that the Plan had been shared with various stakeholders and other interested parties for review and feedback. Mr. Connolly provided a detailed list of those stakeholders with whom WETA staff had already met and a list of stakeholders

with whom meetings were in the works to discuss the Plan. Mr. Connolly noted that riders would also be involved in future planned information sharing and feedback solicitation.

Mr. Connolly gave the Directors an overall schedule for the Plan progression. He emphasized that in addition to being able to provide more much needed service, a more robust WETA would also provide a more robust emergency response capability, and said that one of the fundamental needs coming to light in the Plan was increased operating funding. He also noted that one of the Plan's primary goals was to seek continuous environmental improvement.

Chair Breckenridge noted that there were some existing barriers to expansion plans with regard to old funding formulas that were still in use today. She said the work on the Plan would assist in assessing how best to move forward on the funding fronts to support expansion and meet service demands, while also assuring WETA's emergency response mandate was honored.

Mr. Connolly advised that he anticipated Board adoption of the Plan in January.

Director Wunderman said it was good that the Board and staff were looking at the Plan and funding objectives holistically. He further noted that one of the initial objectives of creating WETA's emergency response component had been to help drive expansion which would in turn create and support a more robust emergency response capability. Director Wunderman said he had hoped that service would eventually become more expansive than what was needed on a day to day basis, so that the emergency response capabilities would also be expansive. He cautioned that WETA could not be over prepared for a significant regional emergency in the Bay Area.

Director Wunderman explained that the private sector wanted ferry service and they have the resources to support it. He said WETA should be exploring the potential for privately funded ferry services as it was unlikely that WETA would be able to expand service as needed with the existing funding sources because there was too much competition for the money currently available. Chair Breckenridge agreed and pointed out that the private sector was funding infrastructure across the country. She said the Plan would help clarify expansion needs and identify potential funding streams.

Director Wunderman added that an early objective for WETA had been that ferry services would help drive water transit and shoreline-related development. Chair Breckenridge agreed that WETA wanted to be on the front end of planning and development. Ms. Rannells added that a different funding model for WETA would help foster a more proactive approach to service expansion and to general planning and development. Director Intintoli noted that WETA was presently prohibited from holding any funds in reserve for a rainy day and that unused (Regional Measure 2) funds had to be returned. He expressed his appreciation that Director Wunderman had been appointed to the Board and said he looked forward to working with him on the common goal of expanding WETA's funding base in order to expand service and emergency response capabilities.

Director Wunderman thanked Director Intintoli and extended a general invitation to all to join him on October 1 for the next meeting of the Bay Area Council's Ferry Subcommittee which would be attended by MTC's Legislation and Public Affairs Director Randy Rentschler. He said the Bay Area Council had been clear with MTC that things had changed in the Bay Area transit world and that it was important that they take ferry service more seriously than they may have in the past.

12. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No comments.

13. ADJOURNMENT

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

Respectfully Submitted,

Board Secretary