

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

(August 24, 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 1:00 p.m.

2. PLEDGE OF ALLEGIANCE AND ROLL CALL

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

3. REPORT OF BOARD CHAIR

Chair Breckenridge opened the meeting by offering her sincerest apologies to the Directors, staff and to anyone else who had been present at the meeting on August 6 which was cancelled for lack of a quorum due to her absence because of illness. She said she understood that it was an inconvenience to gather and not be able to hold the meeting as scheduled.

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 added that she and Administrative/Policy Analyst Lauren Gularte had attended a joint CalOES/FEMA Bay Area Earthquake planning meeting in Dublin that morning and had received a good update on the plan's progress. Chair Breckenridge asked how that plan was coming together and Ms. Gularte said the plan is expected to be available in draft final form in the next few weeks.

Chair Breckenridge requested a status update on the ferry construction work in Seattle. Manager of Operations Keith Stahnke reported that engines were purchased which are expected to arrive before the end of the year. He said the first metal would be cut this month and that fabrication and welding would be getting underway in September. Chair Breckenridge said she had several trips planned to Seattle before the end of the year, and Mr. Stahnke said he would work on coordinating a visit to see construction progress.

Chair Breckenridge also asked about the North Bay Operations and Maintenance Facility. She said she wanted to know when the facility would be ready to preview by the public and the Board Directors. Senior Planner Chad Mason said the landside was expected to be ready before the end of the calendar year. Chair Breckenridge suggested that the Board possibly meet at the facility in November if it was ready.

Chair Breckenridge requested an update on the delivery date of the spare Regional Passenger Float which had been expected to be delivered in late summer. Mr. Mason said the float was on its way from Portland, Oregon this week and noted that there would be some additional work done on it in Alameda to install the super structure and systems. Chair Breckenridge confirmed with Mr. Mason that once the final phase of work was completed that the float would reside in Vallejo.

Chair Breckenridge asked for a date confirmation of the Defense Support of Civil Authorities (DSCA) exercises expected to take place during Fleet Week in San Francisco. Ms. Gularte confirmed that WETA would be observers during Fleet Week in the first week of October and said that WETA would be participating in the Urban Shield Yellow Command Functional Exercises on September 11. Chair Breckenridge invited the Directors to attend the exercises if available.

Director Donovan asked if the sea trials for the *Peralta* had been successful. Mr. Stahnke said they had and also confirmed that the vessel was back in service.

Ms. Rannells noted that WETA provided expanded service for the BART transbay tube maintenance work closure during the first weekend in August, one of two planned weekend closures. She said that during that weekend WETA doubled the Alameda/Oakland services, ridership doubled, and that one morning and evening trip was added to the Vallejo service.

Chair Breckenridge asked if staff had considered how pending legislation to increase the sales and use tax on diesel fuel from 1.75% to 5.25% - SBx1 7 and ABx1 8 (Chiu and Bloom) – would impact WETA's 2016 fiscal year operating budget if passed. She noted that it would potentially increase available funds for operations but would also likely have a negative financial impact on the operating budget because of the sales and use tax changes. Ms. Rannells said WETA staff would review the impact the bill would have if it passes. Chair Breckenridge said doing so was important before discussions with MTC as related to additional funding availability.

Director Intintoli asked why the Planning & General Administrative budget for fiscal year 2015 showed an increase. Manager of Finance and Grants Lynne Yu explained that WETA had paid down its pension liability by about \$500,000. Chair Breckenridge noted that WETA had added an additional employee. Ms. Rannells noted that WETA had also returned money to MTC.

Director Intintoli noted that farebox recovery for the current month on the Vallejo service was 76% versus an overall average of 52% across all services. He asked why there was such a remarkable difference. Ms. Yu explained that the difference was due to an accounting difference when fare revenues were recognized by the new management team of the Vallejo Ferry Ticket Office. Ms. Rannells reminded the Directors of the management transition from SolTrans to Blue & Gold Fleet that took place beginning in July. Director Intintoli asked if the overall annual farebox recovery percentage for Vallejo was closer to the average of the other services. Ms. Yu confirmed that the numbers did even out after the year end clean-up process.

Chair Breckenridge asked if there were any other questions or comments on the Executive Director's report, the monthly financial statements or the legislative update report and there were none.

6. CONSENT CALENDAR

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

- a) Board Meeting Minutes of June 4, 2015;
- b) Authorize Release of a Request for Proposals for Selective Catalyst Reduction (SCR) System Rehabilitation on Four Vessels;
- c) Authorize Release of a Request for Proposals for Ferry Vessel *Gemini* Quarter Life Refurbishment Project;
- d) Authorize Release of a Request for Qualifications for North Bay Vessel Construction Management Services; and
- e) Authorize Release of a Request for Proposals for Ferry Vessel *Intintoli* Major Component and Waterjet Rehabilitation Project.

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

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

7. APPROVE CONTRACT AWARD TO VORTEX MARINE CONSTRUCTION, INC. FOR MARINE CONSTRUCTION SERVICES FOR THE VALLEJO FERRY TERMINAL DREDGING PROJECT

Mr. Stahnke presented this item requesting Board approval to:

1. Approve contract award to Vortex Marine Construction, Inc. of Oakland, California for Marine Construction Services in an amount not to exceed \$1,731,400 which includes a 10% owner's contingency;
2. Authorize the Executive Director to negotiate and enter into a contract and take any other related actions as may be necessary to support this work; and
3. Approve a budget increase to the Vallejo Ferry Terminal Dredging project in the FY 2015/16 Capital Budget in the amount of \$200,000 to support full funding of this project.

Director Intintoli noted that the Directors had received a letter that day from R.E. Staite Engineering (Staite), one of the four bidders on the project. Staite had delivered a copy of a July 29 protest letter and Chair Breckenridge confirmed that the protest letter would be entered into the record. Ms. Rannells asked that WETA counsel Stanley Taylor III of Nossaman LLP review the protest process for the Directors and his findings in reviewing the protest received from Staite.

Mr. Taylor explained that the contract award protest procedure is detailed in WETA's Administrative Code and the policy states that there are three phases at which formal protests may be submitted: before submittal of bids, after submittal of bids but before contract award, and after contract award. The first two protest opportunities – before bid submittal and after bid submittal but before award – are limited to issues related to the form of the Invitation For Bids (IFB) and not to proposals or bids that were submitted in the IFB process. The issues in the July 29 Staite protest were related to specifics in the Vortex bid and were, therefore, not timely. Because of this, the protest was rejected with an explanation that it was not timely and returned to Staite. Mr. Taylor said that the Vortex bid had been responsive and further clarified that the subsequent materials submitted to the Board by Staite were comprised of their original July 29 protest letter and copies of some of the pages from the other three submitted bids related to their Disadvantaged Business Enterprise (DBE) efforts. He said that, after review, the materials did not change WETA's view that the Vortex bid was responsive. Director Intintoli thanked Mr. Taylor for the clarification.

Ms. Rannells asked Mr. Taylor to clarify the procedure to protest after award, and Mr. Taylor explained that after a contract had been awarded, a protest could be accepted from anyone who had submitted a bid for the contract. He explained that the protesting bidder would have three business days to submit a protest which would then be reviewed and considered by the Executive Director who, if so decided, would either make a decision independently about the protest's concerns or convene a review board of experts to consider the protest and make a recommendation to her regarding the matter, on which she would still make the final decision.

The Directors temporarily paused the meeting to allow the Directors to review Staite materials. Chair Breckenridge then asked if the Directors had any questions or comments and Director Intintoli asked how long the work might be delayed if there was a protest made once the contract had been awarded. Mr. Taylor said WETA could process any protests on the project within a few days at most; however, if an appeal were to be made to the FTA, the process could jeopardize the dredge window which had already opened in August and was presently running through October 15.

Director Donovan requested and received confirmation that the initial protest filed July 29 was rejected because it did not meet the protest requirements for that phase of the procurement process of a timely protest. Ms. Rannells further clarified that once the contract had been awarded, that the previously rejected protest would then be timely if resubmitted.

Chair Breckenridge asked if there were any public questions or discussion items related to this item and there were none. She then reviewed the item in detail again, emphasizing that it had three components; contract award to Vortex, authorization for the Executive Director to negotiate and enter into a contract, and a budget increase. She asked if the Directors had any objections to the inclusion of all three components of the item and none were offered.

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

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

8. AUTHORIZE SERVICE ENHANCEMENTS TO ADDRESS CAPACITY SHORTFALLS ON SAN FRANCISCO BAY FERRY SERVICES

Ms. Rannells introduced this item to authorize three actions related to the implementation of service enhancements to help address capacity shortfalls experienced on San Francisco Bay Ferry service. Director Intintoli noted that he understood the items would help address the capacity issues and asked if the items being presented were already being done to help mitigate capacity shortfalls. Ms. Rannells confirmed that they were and explained that staff regularly made service adjustments to address vessel issues or to address surges in demand but that this summer meeting ridership demands had been especially challenging due to unprecedented ridership loads. She further shared a visual presentation on the increased ridership over the last three years which illustrated an 80% increase in ridership on the Alameda/Oakland service, a 48% increase in Vallejo, a 58% increase in Harbor Bay service and a 244% increase on the South San Francisco service.

Chair Breckenridge asked about the status of the South San Francisco farebox recovery discussions with MTC. Ms. Rannells explained that the most recent report submitted to the Commission in the spring requested more time to meet the desired farebox recovery objective which was acknowledged by MTC. Chair Breckenridge said there were new pressures now to meet those objectives and Ms. Rannells agreed.

Director Donovan asked if the midday service and schedule adjustments made to the South San Francisco service a year or two ago had been helpful. Ms. Rannells said those changes had not hurt the numbers, and Mr. Stahnke clarified that the most substantial gains in ridership numbers were coming from the peak commute runs. Ms. Rannells further explained that the smallest capacity, 149 passenger vessels were currently being used on the South San Francisco service and that even these would reach capacity if ridership continued to increase at current rates.

Ms. Rannells went on to explain that the capacity challenges had been ongoing throughout the summer, most remarkably with surges that began in June on the Vallejo and Oakland/Alameda service. She said staff received a petition on July 22 which had been signed by 275 Vallejo riders requesting expanded service in the form of more departures, larger vessels, backup buses, and better communication with the public.

Ms. Rannells explained that backup buses were currently being utilized when possible to address overcrowding, most often at the Ferry Building for Vallejo riders on days there were daytime San Francisco Giants games at AT&T Park. Chair Breckenridge asked what would happen if the Giants made the playoffs and what would happen to service in the spring in the context of the current fiscal

year budget. She requested confirmation that the proposed changes would suffice to support ridership on possible future special AT&T Park service runs during the rest of this year, as well as next spring's games. She further requested confirmation that the proposed changes would support enough service to meet demand given that numerous vessels in the fleet would be going out of service for maintenance later this year.

Ms. Rannells explained that the important points raised in Chair Breckenridge's questions were driving factors in the decision to propose the increased service levels only through October 30 of this year. She emphasized that until the new vessels currently under construction are delivered and in full service that the 199 passenger spare vessel proposed to be used for this increased service will need to be returned to backup service for times other vessels are in dry dock, have temporary mechanical failure or are out of service for maintenance or refurbishment. She said that this was especially critical this winter when vessels are scheduled for dry dock and periodic maintenance.

Ms. Rannells further explained that the \$825,000 budget increase to support the expanded service was proposed to come from Regional Measure 1 - 5% Bridge Toll Funds (RM1) available to WETA to be used for operations or capital purposes. She added that it would be important to have a discussion with MTC about funding to support and sustain expanded service beyond the fall, which would require more Regional Measure 2 (RM2) money. Chair Breckenridge expressed concern over utilizing RM1 funds to pay for expanded services, noting her concern that these funds would not then be available for use in the case of unexpected needs or a catastrophic incident.

Ms. Rannells reiterated the plan to approach MTC with a request to escalate RM2 funds, similar to funds provided by MTC to other Bay Area transit operators such as the Solano Transportation Authority earlier this year, to support the expanded services that would be developed for reinstatement next spring/summer.

Chair Breckenridge suggested that all true operating costs should be delivered to MTC and that RM1 reserves should remain in reserve for emergencies and unexpected costs, for the full year of expanded services. Ms. Rannells indicated that she understood and that staff would approach MTC to have a comprehensive conversation about the need for expanded services and to have this service funded with RM2 funds to allow RM1 funds to remain in reserve to support unexpected and emergency operating needs and services.

Director Intintoli said he had been left behind twice when ferries were at capacity in Vallejo and emphasized that backup buses need to be in service to support capacity challenges on that service. He said he once asked a bus driver when the next bus would arrive, after he had been left behind, and the driver didn't know. He asked that staff have more conversations with SolTrans about providing backup buses for Vallejo riders who are not able to get onto full vessels. Ms. Rannells explained that SolTrans and their contract operator had increasingly been unable or unwilling to respond to WETA requests for extra buses for use when vessels were out of service or when large crowds were anticipated, leaving WETA to utilize private buses/drivers which were much more expensive and introduced an undesirable level of complexity for riders and WETA/Blue & Gold staff due to the changeability of operating equipment and the lack of Clipper fare collection equipment. She reminded the Board that prior to WETA taking over the Vallejo ferry service, the City of Vallejo ran both the ferry and bus system. Under this system, the City staff would regularly flex buses to cover the ferry system when needed due to vessel outages or in order to meet surges in demand. She indicated that when WETA took over the ferries, buses utilized for Route 200 and backup to the ferry service were transferred by the City of Vallejo to SolTrans – the new bi-city entity charged with managing the combined Vallejo and Benicia bus services and that WETA developed an operating agreement with SolTrans for the provision of Route 200 and backup bus services similar to what was historically provided when the City of Vallejo managed both systems. She further explained that, due to

unresponsiveness, WETA had recently been forced to secure private buses to meet most of its backup bus service needs. Director Intintoli noted his concern that services are not being provided and said he doesn't want to begin losing riders as a result of capacity challenges on the Vallejo service.

Director Intintoli suggested that the entity to approach about the problem would be the Solano Transportation Authority which is comprised of all of the Solano County mayors and representatives from the county board of supervisors. He said that since the ferry and bus service is meeting the community's needs, they would have a keen interest in resolving the challenges of receiving requested backup bus service from SolTrans and its contract operator.

Ms. Rannells said she had already met with Daryl Halls, Executive Director of Solano Transportation Authority (STA) and Mona Babauta, Executive Director of Solano County Transit (SolTrans), about buses and backup bus service and that she would continue pursuing a resolution to the current challenges with them. She suggested that one of the reasons contractor bus operators may not be able to provide the services requested may be simply be lack of buses and/or drivers. She also noted that when utilizing outside operators, new challenges in the recent past have included drivers unfamiliar with routes, buses not showing up, and no method to process Clipper cards for riders.

Mr. Stahnke explained that another challenge with supplementing capacity challenges on the vessels with backup buses is that many riders who get left behind choose to wait and take the next ferry rather than getting on the provided backup buses which does not serve to alleviate the capacity challenges on subsequent departures. He noted that contracted backup buses often end up carrying only a few riders and further noted that he was informed last week that backup standby bus service contracted in previous years with SolTrans would no longer be provided.

Director Donovan asked about the differences in travel time between riding the ferry home from San Francisco to Vallejo and riding a backup bus. Staff noted that the ride home on the bus generally takes longer than the hour long ferry ride because of traffic congestion.

Chair Breckenridge asked for clarity on how the expanded service will be communicated to riders and the public. Manager of Public Information and Marketing Ernest Sanchez explained that there would be a multi-pronged approach to the communication including Bay Alerts messages, Captain's announcements on the vessels and flyers available on the vessels for riders to pick up. He said information would also be posted on the dock signs at the terminal in Vallejo and in the upcoming WETA newsletter.

Ms. Rannells explained that the main reason to commit to the expanded service through October 30 is that this is when the winter schedule would go into effect which would be different than the summer schedule and that riders would be expecting those changes.

Chair Breckenridge asked whether there would be a backup vessel if there were to be an unexpected mechanical failure during the expanded service offering. Mr. Stahnke said yes; there would be two other possible backup vessels available.

Chair Breckenridge asked if there were any public questions or comments about the item and there were none. She then asked if the Directors would like to make a motion to amend the item to limit the authorized budget increase to only cover the cost of increased services through October 30, and to direct staff to seek an MTC commitment of increased RM2 funds to cover a full year of enhanced service levels beginning with the Spring/Summer 2016 schedule.

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

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

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

Charlie Bogue from Wind + Wing Technologies shared information about general costs and solutions for alternative wind energy opportunities and asked that the Directors continue to consider alternative energy opportunities and technologies when constructing future new vessels. He thanked the Directors for past interest and support of the Wind + Wing prototype and for the opportunity to speak to them again. He said he hoped to work with WETA again in the future. Chair Breckenridge asked when Mr. Bogue expected the first Coast Guard design review completion and he said that was expected in about two months. He noted that the first vessel built will most likely have a capacity of 149 passengers. Director Donovan asked if there were any differences in manning a diesel vessel versus a green vessel. Chair Breckenridge noted that in the near term, there is not likely to be any difference in manning requirements but that once the technology is fully tested, trusted and in use, that may be a possibility for consideration. Mr. Bogue concurred and also noted that wind technology would ultimately save money on the operations side of service. Chair Breckenridge thanked Mr. Bogue for attending the meeting and for the update on the progress being made by Wind + Wing Technologies.

Jerry Bellows of the Maritime Administration noted that one of their ships would be used for the Mayor's press conference during fleet week on October 5. He invited the Directors to attend. Chair Breckenridge noted that the DSCA exercise would be taking place that day as well to test the Department of Defense moving from the East Bay into San Francisco. She emphasized that this particular exercise had never been done before and would be groundbreaking for emergency response. She thanked Mr. Bellows for attending and sharing the information.

Chair Breckenridge reminded the Directors that Fleet Week would take place in October. She reviewed the rehearsal schedule for the Parade of Ships and the Blue Angels Air show and noted that many school systems had been invited for the Friday activities. She noted that most Coast Guard and Navy events will be taking place at Pier 80 because of the number of cruise ships coming into port at the same time and suggested a visit to the Fleet Week website to get further details on the activities which she encouraged everyone to attend.

Chair Breckenridge asked if there were any further public comments or questions and there were none.

10. ADJOURNMENT

All business having concluded, the meeting was adjourned at 2:19 p.m.

Respectfully Submitted,

Board Secretary