

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

(December 10, 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 1:05 p.m.

2. PLEDGE OF ALLEGIANCE AND ROLL CALL

Chair Breckenridge led the Pledge of Allegiance. Other directors present were Vice Chair James Wunderman, Director Jeffrey DelBono, and Director Anthony Intintoli.

3. REPORT OF BOARD CHAIR

No report.

4. REPORTS OF DIRECTORS

Vice Chair Wunderman reported on a Bay Area Council-organized trip to Washington State where Manager of Planning and Development Kevin Connolly participated in a panel discussion with ferry system operators. Mr. Wunderman noted that there were about 30 people on the trip, including Lieutenant Governor Gavin Newsom, and he emphasized that the ferry operators in Washington were setting a good example of how to leverage private and public partnerships to support rapid general development and ferry operations and further water transit expansion. Mr. Wunderman reported that he had also visited Kvichak Marine Industries while in Washington and viewed progress on one of the new WETA vessels under construction. He shared a discussion he had had with a Kvichak shipwright about Hovercraft technology as a possible solution consideration for ferry service in shallow water.

Vice Chair Wunderman reminded the Board that the Bay Area Council had been largely responsible for the creation of both the Water Transportation Authority (WTA) and the subsequent WETA and urged the Board to engage in more strategic discussions about expansion and pursue opportunities more aggressively than it had historically. He emphasized that the existing transportation systems in the Bay Area were inadequate and the ridership crisis was only expected to get worse as the economy continued to flourish and more jobs were created in the region. He said the Board should work diligently to assure a strong position for Regional Measure 3 (RM3) funding opportunities for WETA services.

Director DelBono reported that he had met with staff and Chair Breckenridge earlier in the week for an update on general emergency response planning efforts. He said that he had invited City of Alameda staff to attend WETA Board meetings and that they planned to send a representative to future meetings. Director DelBono also said he had also recently attended a breakfast meeting in Alameda that was well-attended by Alameda residents who had business and political interests related to RM3. He added that he agreed with Mr. Wunderman about pursuing WETA service expansion opportunities throughout the Bay Area more aggressively in the new year and thanked WETA staff for their work to date.

Chair Breckenridge agreed that a thoughtful, strategic approach was needed when considering any future service opportunities and expansion. Ms. Breckenridge further emphasized that the Short Range Transit Plan (SRTP), a compliance requirement for WETA, was expected to be available for Board review at the January meeting. She said the SRTP would help inform the Board on those objectives and

that the Strategic Plan, a separate document that has been under development in recent months, would be closely linked and provide the fundamental framework for exploring future expansion service opportunities.

Chair Breckenridge asked for confirmation that staff had followed up with Derf Butler of the National Association of Minority Contractors, who had attended the November Board meeting to ask that WETA more aggressively strive to increase its DBE and SBE participation in its contract awards. Administrative/Policy Analyst Lauren Gularte said that she had been in touch with Mr. Butler and they were working together to increase reach by at least 5,000 additional minority and disadvantaged business resource contacts through his organizations' mailing lists and his related contacts.

Ms. Rannells said she was very happy WETA finally had a full Board and thanked the Directors for being at the meeting. She added that she is very much looking forward to working with the Directors in 2016.

PUBLIC COMMENT

Veronica Sanchez of Masters, Mates & Pilots (MM&P) said that if the WETA Board planned to review the S RTP at the January meeting that they may want to consider holding the meeting offsite to assure room to support all who might be interested in attending.

5. REPORTS OF STAFF

Ms. Rannells referred the Board to her written report and introduced Manager of Public Information & Marketing Ernest Sanchez to share a report on staff efforts to accommodate existing and potential expanded ferry ridership during Super Bowl week including the Super Bowl City public village planned as a pop-up fan city in Justin Herman Plaza, for one week beginning January 30. Mr. Sanchez said staff had been working closely with the Super Bowl 50 Host Committee and the San Francisco Municipal Transportation Agency on service plans and to ensure that WETA ferry riders and Route 200 bus operators will have access to the area. He added that staff was scheduled to meet with Port of San Francisco staff the following week to review area access plans.

Director Intintoli asked for a status update on the North Bay Operations and Maintenance Facility construction. Senior Planner Chad Mason said the landside had been completed for some time now and that Vallejo operations staff was in process of moving into the facility. Mr. Mason said the waterside floats were very long and presently on land in Antioch and that lifting and moving them would be a very delicate process. He said the timing of their arrival would be dependent on the strait tides and that in the interim, the electrical systems were being installed that would hook up to the floats once they arrived. Mr. Mason said substantial completion of the project was anticipated by April.

PUBLIC COMMENT

Mr. Jerry Bellows of MARAD said the emergency response fueling exercise that had taken place on November 17 had gone very well and that the ship's crew had very much enjoyed working with WETA staff during the exercise.

Ms. Rannells then drew the Directors' attention to the Federal Legislative Board Report, noting that a new Federal Surface Transportation Bill was approved that will provide funding for federal surface transportation programs, including transit programs through 2020. She noted that the Federal Highway Administration Ferry Boat Discretionary formula program was increased from \$67 to \$80 million per year and that the formula was modified, as advocated for by WETA, to more favorably benefit WETA. Ms. Rannells noted that the change was expected to garner approximately \$250,000 in additional funding for WETA and would also favorably impact other passenger-only ferry operators, including Golden Gate Ferry in the Bay Area.

Director DelBono asked if there were plans for the WETA legislative team to attend a future Board meeting. Ms. Rannells said she would see if they would be able to attend a meeting in the spring. Mr. Wunderman said the Bay Area Council had invited Senator Barbara Boxer to speak at one of their meetings and said he would alert the Board so they could attend if she accepted the invitation.

6. CONSENT CALENDAR

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

- a) Board Meeting Minutes – November 5, 2015
- b) Authorize Release of a Request for Proposals for Insurance and Brokerage Services
- c) Authorize Release of a Request for Proposals for Construction Management Services for the Richmond Ferry Terminal Project

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

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

7. ACCEPT THE INDEPENDENT AUDITOR'S ANNUAL FINANCIAL REPORTS FOR THE FISCAL YEAR 2014/2015

Ms. Rannells introduced Vice President Vikki Rodriguez and Audit Supervisor Cody Smith of Maze & Associates who had worked with Manager of Finance and Grants Lynne Yu on the presented financial audit for last fiscal year. Ms. Rodriguez explained the audit process as detailed in the staff memo.

Mr. Smith noted that WETA had made an advance payment on its \$750,000 pension liability in the amount of \$500,000 that was not reflected in this audit. He said that Directors should expect to see this payment reflected against the pension liability in the next audit which will cover the current fiscal year. He also said that the Measure B and newly required Measure BB Compliance Reports identified that there were no issues found in the review.

Director DelBono asked why the pension liability had been paid down so substantially and Vice Chair Wunderman asked what the source had been for the payment. Ms. Rannells reminded the Board members that identification and reporting of the pension liability was new, per GASB 68, and that last year, as a part of the Audit Report, the Board had been informed that this new reporting requirement would be added to the FY 2014/15 financial statements. She noted that the Board had expressed their interest in paying down WETA's pension liability to the extent possible and practical once the pension liability assigned to WETA was identified by CalPERS, WETA's pension program administrator. Consistent with this direction, once the amount was identified by CalPERS, staff worked with the auditor to identify the appropriate amount to pay down, recognizing that the liability was an estimate based upon actuarial work prepared by CalPERS. She noted that WETA was fortunate to be a relatively new agency with a relatively small pension liability as a result. She further clarified that the funds used to pay down the liability were unspent RM2 operating funds that would have otherwise been returned to MTC for their use. Ms. Rodriguez clarified that the process of paying down the liability in this way was a healthy way to address the issue.

Director Intintoli made a motion to approve the item. Vice Chair Wunderman seconded the motion and the item carried unanimously.

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

8. APPROVE AMENDMENT TO AGREEMENT WITH NEMATODE MEDIA, LLC, FOR INCREASED SAN FRANCISCO BAY FERRY ADVERTISING, TICKET SALES, AND CUSTOMER SERVICE AT THE FERRY BUILDING BAY CROSSINGS STORE

Mr. Sanchez presented this item with a recommendation to approve an eighth Amendment to Agreement #04-205 with Nematode Media, LLC, in the amount of \$38,000 for ticket sales, advertising and customer service at the Ferry Building Bay Crossings store and authorize the Executive Director to negotiate and execute the amendment.

Vice Chair Wunderman asked if WETA received more revenue using Clipper and if that might compensate for the additional payment to Nematode. Ms. Rannells said there was a cost to WETA associated with Clipper use, so there was not a straight savings transfer. Mr. Wunderman said that the Bay Crossings store was in an important location and was therefore valuable to maintain for WETA services. Ms. Rannells said that approval of the recommended contract amendment would cost WETA more money overall, but that it was win-win as, in return, Nematode would implement increased training and improve WETA service display information at the store.

Director DelBono made a motion to approve the item. Vice Chair Wunderman seconded the motion and the item carried unanimously.

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

9. APPROVE CONTRACT AWARD TO FAST FERRY MANAGEMENT, INC. FOR VESSEL CONSTRUCTION MANAGEMENT SERVICES

Operations Manager Keith Stahnke presented this item to approve a contract award to Fast Ferry Management, Inc. for vessel construction management services in an amount not to exceed \$1,890,000 and to authorize the Executive Director to negotiate and execute a final contract and take any other such related actions to support this work.

Vice Chair Wunderman asked if staff would be looking at clean energy options for the new vessel construction. Mr. Stahnke explained that the vessels were legislatively required to exceed current Federal Air Resources Board emissions standards and added that numerous, incremental improvements would be in place to support clean energy including use of vinyl instead of paint and use of all LED lighting. Mr. Wunderman asked if it would be possible to build the vessel using alternative energy engine options such as hybrid electric, instead of diesel. Mr. Stahnke explained that the vessels would need to be high capacity and high speed which made alternative energy engines a challenge. He further noted that prior to releasing the vessel construction RFP staff would review opportunities to implement clean energy options as a part of the project.

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

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

10. STATUS REPORT ON EFFORTS TO UPDATE EMERGENCY RESPONSE PLANS

Ms. Gulate presented an informational item on Efforts to Update Emergency Response Plans.

She explained that the WETA Emergency Response Plan (ERP) was being prepared in accordance with the standards of the National Incident Management System, the California Standardized Emergency Management System, and other federal and state requirements and standards. She further explained that the ERP was about 90% completed, and that staff was in the process of scheduling two Plan validation meetings with the California Office of Emergency Services (CalOES) and other key external stakeholders. Ms. Gulate said that after stakeholder input integration from those final meetings, staff would bring forward a draft final ERP for Board review and final adoption in early 2016. She further explained that WETA's internal Emergency Operations Plan (EOP) was also being updated to address non-catastrophic events. She defined these events as transportation incidents, and planned events that

required increased levels of transit. The EOP would also contain hazard specific sections for events such as tsunamis, vessel fires, facility loss, active shooters and bomb threats. Ms. Gularte said the EOP would be an appendix to the ERP, and that it would remain a confidential, internal operations document.

PUBLIC COMMENT

Ms. Sanchez acknowledged the ongoing efforts of Mr. Stahnke and Ms. Gularte, as well as Carolyn Horgan of Blue & Gold Fleet, on WETA's emergency response preparation. She said she had been working with the MM&P members on communication solutions to assure crews would be able to fulfill expectations and needs in the event that WETA's emergency response capabilities were called upon. She further noted that it was likely that a funding request would be presented to the Directors at some point in the near future to support those solutions. Ms. Sanchez also suggested that emergency response components be added and clarified for all future WETA capital projects.

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

City of Richmond's Successor Agency Manager Chad Smalley thanked WETA and invited Directors and staff to the unveiling of the Officer Bradley A. Mooney Underpass in Richmond, CA at 11:00 a.m. on December 17. He explained that the project, a \$40 million grade separation for which WETA staff had helped to advance funding, would alleviate random delays due to train track usage and support reliable and safe access to the WETA ferry terminal and services planned within the City of Richmond.

Tideline Marine Group President Nathan Nayman explained that the vessels in his company's current fleet could carry 43-50 passengers and said he had plans to offer water taxi service from Berkeley to Pier 1½ in San Francisco. He asked that WETA support Tideline's CPUC application for a Vessel Common Carrier Certificate for this service expansion and said that the Board could see the application once it was filed as a matter of public record. Mr. Nayman said the application was going to be filed soon and he provided a letter to the Board asking that they sign it in support of the Tideline application. Mr. Nayman explained that the CPUC could act as quickly as 60 to 90 days and said that support from other agencies could help expedite its decision. Vice Chair Wunderman asked if the Board could act on the item. Director Intintoli noted that it was not an item on the agenda and suggested that it could be put on a future meeting agenda if the Board wanted to consider the request. Chair Breckenridge said she looked forward to receiving a copy of the application from Mr. Nayman first for staff review and noted that the Board could review the request at a future meeting if desired. She requested that Mr. Nayman provide a copy to staff for their review once the application was filed with the CPUC.

Mr. Charlie Bogue of Wind+Wing Technology suggested that in the RFP for the new Richmond vessels, WETA should consider the long term savings of alternative energy solutions in scoring of the price proposal. Mr. Bogue also mentioned that he had recently traveled to Vancouver, Canada and noted that the speedy loading and unloading of passengers on the Sea Bus there was impressive. He said they moved 58,000 people daily and that he would be happy to share the information he learned on that trip with WETA staff.

Chair Breckenridge thanked everyone for their comments and attendance.

12. ADJOURNMENT

All business having been concluded, the meeting was adjourned at 2:43 p.m.

Respectfully Submitted,

Board Secretary