

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(March 1, 2012)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met at the offices of Nossaman LLP, 50 California St, 34th Floor, San Francisco, CA.

1. ROLL CALL AND CALL TO ORDER

Chair Charlene Haught Johnson called the meeting to order at 1:15 p.m. Directors present were Vice Chair Anthony Intintoli and Director Gerald Bellows. WETA representative Stanley Taylor III of Nossaman LLP led the pledge of allegiance.

2. REPORT OF BOARD CHAIR

Chair Johnson noted that this was a Board retreat and invited members of the public to comment on non-agenda items.

3. REPORTS OF STAFF

Executive Director Nina Rannells stated that Assemblyman John Perez has appointed Timothy Donovan to replace John O'Rourke who has been promoted to be an international representative for IBEW.

Vice Chair Intintoli suggested that WETA hold another retreat in the very near future with the appointment of Director Timothy Donovan to review the past ten years and to participate in the discussion.

Ms. Rannells also thought that a tour of the services and facilities would be beneficial and that a retreat would allow him to get to know the other Board members.

4. PUBLIC COMMENT

Members of the public introduced themselves as Waterfront Manager John Mann from the City of Berkeley, Planner Victor Carniglia from the City of Antioch and Senior Deputy County Administrator Rich Seithel from Contra Costa County.

5. REVIEW PROGRAM STATUS

Ms. Rannells indicated that the format of the retreat was going to be in the form of a conversation with a presentation that focuses on WETA's shift from a planning to operating entity and about the services with opportunities for questions.

Manager of Operations Keith Stahnke reminded the Board that ferry services were transferred in April 2011 and that Harbor Bay provided Monday through Friday commuter service and that Alameda Oakland provided commuter, midday and weekend recreational and seasonal service for Angel Island and AT&T Park. These combined services made over 10,000 trips across the bay carrying over 600,000 passengers.

Mr. Stahnke added that there were also seven passenger incidents; one of the incidents unrelated to ferry operations was a heart attack in which WETA received letters from the family praising the actions of the crew. He noted that the contracted operators have done an outstanding job providing

reliable service and safe passenger transportation; however, WETA staff is engaged on a daily basis dealing with customer relations, vessel and facility repair, planning for special services such as extra service due to recent bridge closures, and general contract oversight.

Vice Chair Intintoli was interested in knowing about the impact on WETA staff from taking over operations. Ms. Rannells responded that there has been a significant impact. In particular, staff has spent a significant amount of time working through procurement issues related to maintenance, repair and rehabilitation of the vessels and marine assets inherited from the Alameda services. Since federal funds are available for much of this work, staff has had to incorporate the many federal rules and processes into the work on these projects. While the federal funds will allow WETA to take care of the deferred maintenance; however FTA procurement guidelines are very complex.

Ms. Rannells stated that she is looking at the staffing structure and consulting resources to determine any changes necessary to manage WETA's growing program, especially in light of the anticipated Vallejo service and asset transfer to WETA.

Vice Chair Intintoli asked whether or not WETA had a published number for customer service questions. He suggested that the Implementation and Operations Plan (IOP) that was adopted several years ago be reviewed for validity.

Director Bellows stated that the method he and his family utilized most to obtain ferry schedule information is through the website. Mr. Stahnke noted that the City of Alameda utilized a "call-em-all" service and that WETA has expanded notifications through email, text messaging and through the expanded use of the Next Bus customer notification system.

Director Bellows noted that these many notification methods were not applicable to himself as a casual rider and preferred accessing the website for specific information. Mr. Stahnke understood and added that information delivery could be targeted for a particular service and was planning to leverage the resources available through 511.org.

Ms. Rannells noted that she has been sitting on MTC's Transit Sustainability Committee which did a comprehensive review of transportation efficiency and cost cutting. One of the recommendations was the potential for a consolidated call center for small operators that she thought might be something that WETA could be a part of.

Director Bellows asked if crew had to have Standards of Training, Certification and Watchkeeping for Seafarers (STCW) training and Mr. Stahnke replied that crew was exempt in domestic service and that this was applicable for offshore vessels. Mr. Stahnke stated that the captains had radar endorsements, first aid and CPR and that crew members had merchant marine, TWIC cards, first aid and CPR adding that the operator certifies 100% of the crew for first aid and CPR as a rule.

Vice Chair Intintoli stated that WETA should minimize its expenditures on branding assets that may soon be replaced.

Mr. Stahnke continued his presentation with an update on the South San Francisco ferry service which, as planned, will provide up to six round trips per day utilizing one boat from Oakland-Alameda to Oyster Point. WETA has identified a start date of June 4.

Manager of Planning and Development John Sindzinski reminded the Board that the USACE project that was initially expected to begin in June and last approximately two months is now expected to begin in August and completed in October due to delays and required approvals. It was determined that the USACE would work around WETA. Mr. Sindzinski added that Peter

Grinnell suggested that WETA meet with USACE to make certain that USACE keep on schedule and not interfere with WETA vessels. Mr. Grinnell is also willing to offer the full \$400,000 he received from the USACE for this project to mitigate the cost impacts to ferry service. Mr. Stahnke added that the USACE project would need to be completed by pile driving season which is November.

Director Bellows asked about the original proposed start date of April 30. Ms. Rannells stated that WETA wanted more time to gear up, notify the ferry and shuttle operators and coordinate the implementation of the Clipper payment system and that this was the first time the June 4 date was made public outside of WETA.

Vice Chair Intintoli asked if there were any ticket purchase commitments from the local businesses and whether WETA had an advertising campaign in place. Mr. Sindzinski stated the advance notice would be needed to allow riders to load their Clipper cards. Ms. Rannells said that Manager of Transportation Services Ernest Sanchez was working on outreach and that WETA was communicating with the transportation coordinators of local businesses. There were no financial commitments in terms of operations. However, Genentech has helped work with WETA and the Peninsula Traffic Congestion Relief Alliance to obtain a grant to fund a portion of the cost of a bus shuttle service to and from the ferry terminal.

Vice Chair Intintoli was concerned with quorum issues and suggested that the March 15 meeting be postponed if there was nothing pressing. He asked if the spot bill had been submitted. Ms. Rannells confirmed that it was submitted, but indicated that it couldn't be amended for a month.

Vice Chair Intintoli wanted to know how long WETA would be able to operate without any particular level of designated subsidy and the expectations of MTC. Ms. Rannells responded that MTC's criteria as a commute only service was for a 40% farebox recovery ratio and recognized the challenges of meeting the 40% for a commute only service along with other proposed routes identified in the IOP. He felt that building services for emergency response is justifiable, but is only supportable in the long run if services will have sufficient regular ridership to meet MTC performance requirements within a reasonable amount of time after start-up.

Director Bellows wanted to know if MTC would grant WETA a waiver in WETA's emergency preparedness capacity as opposed to a strict transit agency and suggested that the labor unions may have some pull with MTC.

Ms. Rannells stated that a few years was not sufficient time for a new agency to build ridership and that she anticipates that a dialogue with MTC would be required over the next three years to determine factors affecting farebox recovery. Vice Chair Intintoli asked about the farebox recovery for Alameda and Vallejo. Ms. Rannells responded that Alameda was about 45-50%, Harbor Bay is closer to 40% and Vallejo is hovering at about 50% plus.

Ms. Rannells felt that WETA should have the flexibility to manage the funds designated to the agency within an overall context, and should only be required to meet an overall system farebox recover requirement, rather than a route-specific requirement.

Mr. Stahnke continued his presentation noting that passengers chose ferries over other transportation options due to the ferries reliability and provided the status of current and upcoming vessel and facility preservation projects. He discussed vessel preservation stating that the normal day to day maintenance was being handled by Blue & Gold Fleet and that WETA's involvement was required on larger projects adding that planning for some of these larger projects is done years in advance to access capital funding and for project coordination.

Vice Chair Intintoli talked about the responsibility of ongoing maintenance of the facilities such as the parking lots and the understanding and expectations of partnerships.

Public Comment

Mr. Mann commented that the City of Berkeley does not maintain the parking lot but that the responsibility was of H^s Lordships as outlined in the lease.

Vice Chair Intintoli asked if WETA was speaking with the jurisdictions that were involved with redoing the waterfront and discussing parking issues associated with implementing ferry service which may have been previously handled by redevelopment agencies.

Ms. Rannells responded that discussions were different depending upon each individual site. Mr. Sindzinski added that many factors play a role including joint development, upzoning ferry terminal area, parking management and day to day issues of maintenance and funding.

Vice Chair Intintoli stated that areas have been impacted differently from the housing collapse. Chair Johnson stated that she felt having the ferry close by would be a huge advantage. Vice Chair Intintoli agreed and added that the Vallejo ferry carries people from Napa and used to bring a bus in from Sacramento which was full. This bus was terminated because the ferries were at capacity and turning away riders from Napa and Vallejo to accommodate people from Sacramento.

Chair Johnson asked about the status of Berkeley and H^s Lordships. Mr. Sindzinski indicated that a parking management study had been done to determine how to control, manage and enforce parking for peak demands of H^s Lordships and peak ridership and that the environmental document was nearing completion.

Chair Johnson asked if Berkeley or Richmond was further along in the process. Mr. Sindzinski stated that Berkeley had been further along as WETA has been working on it longer and that the environmental study for Richmond had just been launched.

Director Bellows asked about issues of the train tracks. Mr. Sindzinski stated that a crossing had been funded and is moving forward.

Ms. Rannells added that the Richmond project could potentially move quickly. She stated that staff spent much time and resources managing projects and time spent managing ongoing operations along with activities and exercises involving emergency response planning. WETA had applied for a CalEMA grant for infrastructure risk assessment of facilities.

Vice Chair Intintoli asked about the meaning of risk assessment. Mr. Stahnke replied that it was pretty broad and encompassing and relates to structural, earthquake, safety and security mostly for valuation replacement and how service would be impacted by natural disasters or security incidents. Director Bellows added that it would help WETA to mitigate vulnerabilities.

Vice Chair Intintoli stated not enough money was being spent on marketing and that nobody in Vallejo was doing marketing or customer service and expressed his concern about continuing in this manner while WETA was waiting to take over service.

Ms. Rannells has been considering what staff additions need to be made when WETA takes over service. Director Bellows asked if it would be cost effective to bring in consultant from on call list for marketing. She indicated that work was already being done with focus on the launch of the South

San Francisco service and stated that she has a meeting scheduled with Marty Robbins, the Vallejo service manager, to discuss service needs and resources.

Ms. Rannells concluded this part of the presentation with a brief summary of WETA daily operations.

6. DISCUSS STRATEGIC ISSUES/DIRECTIONS

Ms. Rannells continued on with the next part of the agenda focusing on WETA's next steps. She began with the discussion of assuming Vallejo service which would significantly increase WETA's program, resulting in a program that provides 17,000 bay crossings per year providing 1.2 million passenger trips at an annual operating budget of approximately \$25 million.

Vice Chair Intintoli asked how WETA will be judged on its success noting that one of the considerations was how successful WETA was in expanding and getting acceptance of ferry service as a real form of transportation, obtaining funding and managing expense.

He expanded his question related to advocacy and working at the state level to request an increase in funding for operations. He felt that with more reasonable requirements for environmental studies that more funds would be available to support the needs of existing operations. He did not think that the public understood how much money was spent on time sensitive environmental studies that may have to be repeated or supplemented that could be used to create a facility. He emphasized that WETA needs to develop a legislative program and strategy for advocating at the state level for funds to build and support future operations and equipment.

Ms. Rannells reminded the Board that MTC has capped existing RM2 operating funds, limiting WETA's service purchasing power over time as cost inflation occurs. She added that while we are working on environmental studies/conceptual design for several potential expansion services, this is still an early step in the long process of service development. She further indicated that funds for expansion services are quite limited at this juncture, requiring WETA to be thoughtful in how the expansion program is developed and delivered.

Vice Chair Intintoli asked about a transportation sales tax measure in Berkeley and Richmond and whether it was available for ferries. Ms. Rannells stated that county transportation sales tax funds to support ferry transit services were available in Alameda, Contra Costa and San Mateo counties. She added that WETA is working on a financial plan and projection as part of the Short Range Transit Plan under development, and required by MTC. This plan is a form of business plan for transit.

Vice Chair Intintoli reminded everyone that when the state created the WETA, the intention was to create a regional agency to manage existing system operations, develop expansion services and direct emergency response services. To achieve this, he feels that the state needs to come up with funding, especially operating funds, to deliver this mandate. He also indicated that he thought that new services, or services developed to serve the emergency mandate should not have strict performance requirements. Vice Chair Intintoli and Ms. Rannells talked about the historical funding of operations of different services and agreed that it generally can take several years to develop a ridership base for new services.

Ms. Rannells stated that WETA's federal legislative advocate, Peter Friedmann, had worked in recent years to create consensus on a ferry boat discretionary expansion program to be included in the federal transportation reauthorization bill. The current version of this bill does not include a ferry boat discretionary program element, which could be added through a future amendment. Ms. Rannells will continue to work with Mr. Friedmann on this issue.

Chair Johnson suggested forming a committee or joining one to advocate for funding. Vice Chair Intintoli was willing to participate in going to Sacramento with opportunities defined to secure more money.

Ms. Rannells added that WETA was going to be implementing the Clipper card and that she felt it would receive a positive response. Vice Chair Intintoli asked how Clipper card was going to benefit him as a rider. Mr. Sindzinski began with being able to use Clipper on every major transit system between different modes of transportation offering transfers and discounts between systems and minimizing cash management and handling as Clipper can be linked to credit cards for automatic loading of funds.

Ms. Rannells stated that the Clipper card has made riding transit much easier without having to wait in line to purchase a ticket for each mode of transit such as BART to Muni. Director Bellows noted that the Clipper card was similar to the FasTrak used on bridges.

Mr. Sindzinski continued the presentation with a slide listing the routes identified in the IOP for development as expansion services. He noted that the Treasure Island service is designed to be developed by the City of San Francisco and operated by WETA. Part of the facilities and part of the operations will be funded by the developer and will guarantee revenue for a baseline level of service. As demand increases, the service is projected to become self-sustaining from fares and through charges to homeowners who will be obligated to purchase a monthly pass through the Treasure Island Mobility Management Agency (TIMMA).

He added that WETA has updated its 20 year ridership projections as a requirement of CEQA and NEPA which reflect a substantial decrease in ridership for some of the services. Of the IOP services, Treasure Island, Richmond and Berkeley are projected to continue to have the highest ridership of the planned services. These projections are based on estimates of population and employment from MTC and ABAG showing a delayed rebound from the recession and competing service.

Vice Chair Intintoli indicated that the cities need to be informed of the ridership projections and need to understand the implications of low ridership numbers before committing to any investments of land, waterfront or local funds to support services. He also stated that the state legislature should be involved and should assume some of the burden for maintaining ongoing system costs.

Public Comment

Mr. Mann from Berkeley stated that the Department of Boating and Waterways has withdrawn a loan approval to Martinez for dredging and renewal of their harbor until Martinez pays off existing loans. Martinez has just approved \$500,000 for a dredging program to try and dredge the marina to keep it operational. Mr. Sindzinski clarified that WETA had no intention of building a terminal inside the marina as it would create issues for pleasure boats in addition to being a tight marina which would make operations difficult.

Public Comment

Mr. Carniglia from Antioch stated that he had already gone over the numbers with John Sindzinski and agreed that the lower numbers were a cause of concern. He feels that the best thing the WETA could do was approach the local agencies with estimated service development and operation costs, state that this was going to be a real challenge and ask the agencies what types of subsidies they would be able to provide. He thinks that the emergency mode needs to serve a large geographical area. He mentioned concerns about doing environmental studies too early and ramping the studies back and instead doing a broad level view with a conceptual design study so

that decision makers can see that the project is real. He also thinks that we need to talk to sister communities such as Oakley, Brentwood and other east county cities for them to see the benefit of coming to downtown Antioch for a commute trip or pleasure vacation in the city and the fact that Antioch's riverfront is the gateway to the delta. He thinks that it is important to have the numbers out and quantify challenges and then work in partnership to lobby Sacramento. He stated that Antioch is motivated to make this work but has limited resources.

Vice Chair Intintoli stated that Antioch needs to consider its viability as a commute service. He asked Mr. Carniglia about the commute time expectations as a viable commute service and wanted to know how long the commute would be on BART compared to the two hours by ferry. Mr. Carniglia stated that the BART system does not yet exist but with the eBART connection, commute time is expected to be about an hour and twenty minutes noting that eBART has been approved and is under construction.

Vice Chair Intintoli reiterated that funding would be required to implement and maintain operations. Ms. Rannells added that by virtue of the route length and the cost of fuel and crews, the service would be expensive considering a two hour trip and that only one trip could be achieved with one boat in a commute period with a four hour round trip. Multiple boats would be needed to provide more frequent service with potential low ridership.

Vice Chair Intintoli commented that he would be thrilled to see ferry service throughout the Bay Area, but that he didn't want to see it fail or see people be disappointed. He stated that there had to be dialogues with the cities and state so that everyone is aware of the facts and the risks associated with each potential new service.

Public Comment

Mr. Seithel from Contra Cost County indicated that he thinks that the county should also go up to Sacramento. He stated that east counties have been holding economic summit meetings with a lot of east county communities and indicated that the communities are supportive of ferry service.

Ms. Rannells agreed that new service plans are exciting, but expressed caution and concern that these discussions may be inviting unrealistic expectations regarding WETA's program. Vice Chair Intintoli commented on his experience about the unknown growth of the Vallejo service and hoping that they had done the right thing in starting the service with all of the associated risk.

Ms. Rannells asked if the Mr. Seithel and Mr. Carniglia what the appropriate forum would be for a thorough discussion regarding WETA's program in the county, and stated that it seemed that this might be through the Contra Costa County Transportation Authority. Mr. Carniglia offered to pull together a group that is a cross section of stakeholders and interested parties.

Director Bellows asked if a service which included Antioch and Martinez had been considered which would increase options. Mr. Sindzinski responded that an interlined service stopping in both Antioch and Martinez was the original concept for these services but that this would add time to the trip and the idea was not well received during the development of the IOP. Vice Chair Intintoli commented that Vallejo had considered making a stop but the reaction was negative and ridership would have been reduced.

Mr. Sindzinski wanted to note that there were also capacity limitations with two docks in downtown San Francisco which needed to be taken into consideration as WETA develops its plans over time. He noted that each float could accommodate approximately four or five arrivals an hour.

Ms. Rannells talked about the flow of state funds that had been promised over ten years for capital. She indicated that it is not enough to build WETA's full expansion program, and that significantly more operating dollars are needed to support such a system. The first priority on capital funds is to support the first tier of expansion services, create additional berthing capacity in downtown San Francisco, development and construct needed maintenance and operations facilities and support construction and rehabilitation of system vessels. Vice Chair Intintoli added that several years ago it costs \$14 million to build the larger capacity boats. Mr. Sindzinski added that each terminal site has different conditions that can impact construction and operating costs. For instance, terminal sites with existing infrastructure, such as Richmond, may be able to be built and operated at a significantly reduced cost. He also noted that sites that require significant ongoing dredging could be cost prohibitive to operate on an ongoing basis.

Public Comment

Mr. Carniglia thinks that the WETA Board has a real challenge given the whole emergency aspect and reconciling that with transit. He thinks that having a terminal in Antioch would provide the ability for emergency service and that this needs to be considered a priority. He feels that Antioch is a case study without operational funding from the state.

Vice Chair Intintoli said that if the terminal were just for emergencies, the City of Antioch would have to devote land on the waterfront for a facility that is only used in an emergency requiring water transportation services. He indicated that it's better to have a viable commute service to balance out the cost of building and maintaining a facility and to justify the use of the City land.

Ms. Rannells indicated that she and WETA staff would work to provide the City of Antioch and others with updated ridership and cost figures for terminal-only and terminal + service scenarios. In particular, for the City of Antioch, she has been told that they may be interested in securing transportation funds for a ferry terminal and/or service as a part of a potential future Contra Costa transportation sales tax measure, so she and WETA staff would work to make sure that they have sufficient cost information to adequately represent their needs.

Ms. Rannells wrapped up the session thanking the Board for their attendance and participation.

7. ADJOURNMENT

The meeting was adjourned at 4:04 p.m.

Respectfully Submitted,

Board Secretary
