

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(March 15, 2012)

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

1. ROLL CALL AND CALL TO ORDER

Chair Charlene Haught Johnson called the meeting to order at 1:05 p.m. Directors present were Vice Chair Anthony Intintoli, Director Gerald Bellows, Director Timothy Donovan, and Director Beverly Johnson. Director Donovan led the pledge of allegiance.

2. REPORT OF BOARD CHAIR

Chair Johnson welcomed Director Donovan to the WETA Board of Directors, noting that he had been confirmed by Assembly Committee on Rules on February 29 and would be replacing John O' Rourke, who had moved to a new position for the international office of the IBEW supervising multiple jurisdictions in Northern California.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Nina Rannells offered the Board her written report to the Board with one addition, noting an electrical fire onboard *Scorpio* on March 8. She reported that the vessel, under bareboat charter to the City of Vallejo, had been docked at the time of the incident, that no passengers had been onboard and that no crew was injured. She said that although the fire was extinguished quickly, *Scorpio* would be out of service until the cause of the fire could be confirmed and repairs made.

Director Johnson asked if the fire was due to a design issue. Ms. Rannells replied that that would be determined by the investigation and that the other WETA vessels sharing *Scorpio's* design would be looked at as well.

Vice Chair Intintoli asked how service was being covered, noting that the vessel *Intintoli* would return to Baylink service the next week. Ms. Rannells replied that three buses had been contracted from a private operator as Soltrans was unable to guarantee bus service coverage. Manager of Operations Keith Stahnke added that once the *Intintoli* passed U.S. Coast Guard inspections it could return to service, which could be as soon as Monday the 26th.

Vice Chair Intintoli stated that there is no cover for passengers waiting for back-up buses and urged that a bus shelter be erected in Vallejo. Ms. Rannells said that she would bring this to the attention of Soltrans and City of Vallejo staff.

Chair Johnson referred Director Donovan to Ms. Rannells' monthly report, noting that it was a good overview on WETA's activities that could help bring him current. Ms. Rannells noted that the report was a joint effort by WETA staff.

Ms. Rannells noted that a report from WETA's federal legislative representative Peter Friedmann of Lindsay, Hart, Neil & Weigler, LLP was included in the packet which reported on positive movement regarding the Federal Transportation Reauthorization Bill as well as changes to the Bay Area congressional delegation due to redistricting.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve the minutes from the February 16, 2012 Board meeting. Director Bellows seconded the motion and the item carried unanimously.

6. AUTHORIZE STAFF TO PROCEED TO DEVELOP LEGISLATION TO CREATE STAGGERED DIRECTOR TERMS

Ms. Rannells presented this item requesting board authorization for staff to proceed with development of legislation to create staggered terms for the WETA Board of Directors. She noted that the Board had expressed interest in addressing the issue of non-staggered terms for a number of months and previously directed staff to work with WETA state lobbyist, Barry Broad, of Broad & Gusman, LLP, to develop a means to create a technical fix to this issue through legislative changes to WETA's enabling statute.

Ms. Rannells reminded the Board that the language to create staggered terms was developed and brought before the Board for discussion at the February 16 meeting, and that the proposed language served to stagger board appointments by changing the length of several board seats during the second term appointment, after which they would revert to a six year term length. She noted that Mr. Broad was present to answer questions from the Board.

Vice Chair Intintoli asked Mr. Broad to clarify why the altered terms were constructed in the way that they were. Mr. Broad explained that the bill called for two of the Governor's three appointees to term out after only two years and that those two seats would then be reappointed as regular six year terms. He added that similarly, each legislative chamber would make an appointment which would term out after four years, after which they would reappoint those seats as regular six year terms. Mr. Broad said that the third Governor's appointee would simply be appointed for a six year term from the outset, and that this would create staggered terms for the Board going forward.

Vice Chair Intintoli noted that it seemed a complex solution. Mr. Broad said that this was the recommended approach from legislative counsel, based on their experience with similar legislation in the past.

Director Bellows asked why they could not be staggered with one appointment changing at a time, suggesting that this approach could be better for WETA. Mr. Broad said that this would create political issues, because you could not give the pro Tem an appointment opportunity that the Speaker would not get at the same time. Mr. Broad said that he had been advised that legislation that was not balanced in this way would not be well received by the leadership and would be unlikely to pass as a result.

Director Bellows asked if having the Governor's appointees set at one for two years, one for three years, and one for six would not yield a more evenly staggered result. Mr. Broad suggested that this would yield something of a "leap year" result where there would be gaps between terms, and reiterated that if WETA simply wanted to address the issue of staggered terms with a minimum of controversy that he suggested following the recommendations of legislative counsel.

Director Johnson asked about designating seats on the board for representatives of the Cities of Alameda and Vallejo. Vice Chair Intintoli asked what the best manner of addressing this issue would be. Mr. Broad said this was an issue that would need to be initiated by the cities on their own

behalf and that whatever entity takes up the issue will be confronting a significant challenge regarding the balance of power, because directly addressing a desire for a stakeholders' board will bring up the issue of who the stakeholders are. Vice Chair Intintoli noted that Alameda and Vallejo had 20 years invested into the ferry systems which the state had reallocated to WETA.

Director Johnson asked why it was the cities that needed to initiate action and not WETA. Mr. Broad pointed out that the legislation that created WETA also created an "at large" board that was neutral on issues of governance and explained that an effort by WETA to change this would be met with disfavor. The bill at hand to stagger the board terms was non-controversial and purely technical.

Director Johnson said that it was Alameda and Vallejo who had the current services. Mr. Broad pointed out that those services also include Oakland and San Francisco. Director Johnson said that Oakland had never expressed interest in the service. She added that she had told her constituents that Alameda would have representation on the WETA Board. Mr. Broad said that the cities could initiate a process to create a representational board if that was desired.

Director Johnson asked specifically who would oppose a representational board. Mr. Broad said that an inquiry had been made on the Board's behalf and that he had received indication that the City of San Francisco, the City of Oakland, Marin County and organized labor had all expressed objections, and that specifically the Cities of San Francisco and Redwood City would withdraw support for the bill if amended in this way.

Mr. Broad added that the legislature had made its intent to have an at-large board clear with WETA's original enabling legislation and that to change that provision would require time and a great deal of consensus building.

Vice Chair Intintoli declared his intent to support the item but strongly suggested that the cities initiate discussions to create representation on the WETA Board. Director Johnson agreed, saying that the Cities of Alameda and Vallejo must revisit this issue.

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

7. APPROVE FY 2011/12 OPERATING BUDGET INCREASE AND AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR ADDITIONAL FY 2011/12 REGIONAL MEASURE 2 OPERATING FUNDS TO SUPPORT THIS INCREASE

Manager of Finance and Grants Lynne Yu presented this item to the Board requesting approval of actions related to the FY 2011/12 Operating Budget which included approval of a budget increase in the amount of \$887,000 for the FY 2011/12 Operating Budget to support the Alameda ferry services and authorization to file an application with the Metropolitan Transportation Commission for an additional \$819,000 in FY2011/12 Regional Measure 2 operating funds to support this increase.

Ms. Rannells added that this was "use it or lose it" funding. Vice Chair Intintoli asked if this was enough, considering the uncertain future of fuel costs. Ms. Yu said that it was a very conservative budget that took rising costs under consideration.

Director Johnson asked if there was any way WETA could protect itself against rising fuel costs by participating in a pool or buying in larger quantity. Ms. Rannells said that this was a separate issue, and Mr. Stahnke added that it had been reviewed previously, noting that storage capacity limited

the amount of fuel that could be purchased. He also added that the additional cost to buy a price guarantee was prohibitive.

Vice Chair Intintoli asked about other increased operations costs. Ms. Rannells replied that the vessels WETA had inherited were in need of substantial maintenance work and that there were some cost increases related to the new service agreement which is structured to include both fixed and variable costs. She said that this was an adjustment period and that she anticipated a similar one would be encountered when WETA would assume Vallejo service. Director Intintoli asked what the anticipated date for that transition was. Ms. Rannells said that it should occur on July 1.

Director Donovan asked if there was one yard that performed maintenance on all the vessels. Ms. Rannells replied that Blue & Gold Fleet, the current operator under contract for the Alameda/Oakland service and also for the Vallejo service after July 1, performed most maintenance at its Pier 9 facility and the Vallejo maintenance facility and that larger jobs are generally undertaken at Bay Ship & Yacht in Alameda.

Manager of Planning and Development John Sindzinski told Mr. Donovan that WETA was also in planning stages for the construction of its own Central Bay maintenance facility and that having facilities located near the services would result in substantial fuel savings. Ms. Rannells said that completing the permanent Vallejo facility and constructing the Central Bay facility would give WETA the infrastructure to support its services.

Director Bellows made a motion to approve the item. Director Johnson seconded the motion and the item carried unanimously.

8. APPROVE PROPOSITION 1B PROGRAM OF PROJECTS AND AUTHORIZE AGENCY OFFICIALS TO EXECUTE PROGRAM REQUIREMENTS

Ms. Yu presented this item requesting that the Board authorize actions related to the FY 2011/12 Proposition 1B Waterborne grant program, including approval of a list of FY 2011/12 Proposition 1B Waterborne projects for transmittal to the California Emergency Management Agency and to authorize the Executive Director, Attorney and the Finance and Grants Manager to execute grant program documents required to obtain funding.

Vice Chair Intintoli asked if the funding had already been appropriated. Ms. Rannells replied that the funds were included in the State budget, but that WETA had no way to know when the State would issue bonds and release funds.

Director Bellows asked if WETA had the option of reprogramming these funds if needed. Ms. Rannells replied that it was allowed to shift funds between projects but that new projects could not be added once the bond sales had gone forward. Ms. Yu added that there were two kinds of bonds. She said that funding through Build America bonds did not allow for changes but that proceeds from non-exempt bonds gave WETA the flexibility to add new projects. Ms. Yu added that these restrictions were part of why the proposed projects were broad in scope.

Director Johnson asked if there was an anticipated date for the bond sale. Ms. Yu said that she had heard that it may be included in the Fall bond sale but that a firm date could not be ascertained.

Public Comment

Veronica Sanchez of Masters, Mates & Pilots asked if there was a list or prioritization of vessels in the queue in need of replacement.

Ms. Rannells said that the *Express II* was at top of the list, followed by the *Encinal* in a few years, and that Ms. Yu was also working on obtaining federal funding for replacement vessels through MTC.

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

9. PUBLIC COMMENT

Kerry Motts, a resident of Antioch and President of the Rivertown Presentation Society, delivered a written statement to the Board in support of expansion of ferry service to the City of Antioch.

10. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 2:00 p.m. Upon reopening of the meeting at 3:05 p.m. she reported that no action had been taken.

11. ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:05 p.m.

Respectfully Submitted,

Board Secretary
