

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(January 5, 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 1:10 p.m. Directors present were Vice Chair Anthony Intintoli, Director Gerald Bellows and Director John O' Rourke. Director Beverly Johnson arrived at 1:30 p.m. WETA representative Stanley Taylor III of Nossaman LLP led the pledge of allegiance.

2. REPORT OF BOARD CHAIR

Chair Johnson reported on her visit to the South San Francisco ferry terminal site at Oyster Point, stating that the terminal was gorgeous and high tech. She said that she spoke to several members of the Oyster Point Yacht Club who appreciated the terminal and that the directors had requested a tour, adding that they were excited about the extra business the terminal may bring to the area. Chair Johnson noted that she was excited for the service launch event and offered a brochure that she thought could be a good format to consider for promoting the event.

3. REPORT OF DIRECTORS

None.

4. REPORTS OF STAFF

Executive Director Nina Rannells reported on two items in addition to her written report.

She announced to applause that the operations contract with Blue & Gold Fleet had been fully executed before the end of the year and that operation of the Harbor Bay Ferry under this contract had commenced at the beginning of January. She noted the efforts of WETA Operations Manager Keith Stahnke and Transportation Manager Ernest Sanchez in ensuring that the transition went as smoothly as possible.

Secondly, she updated the Board on ongoing discussions with the City of Vallejo regarding the higher than anticipated bids received by the City for the Mare Island maintenance facility. She noted that Vallejo staff had had a positive conversation with Lennar/Mare Island regarding the possible use of additional waterfront and landside property which would allow for a rescoping of the project. Ms. Rannells said that these changes could include placing fuel tanks above ground and reducing pile work; both of which could have an impact toward reducing costs. She said that even with these changes that the project could still face significant funding challenges. Ms. Rannells said that she anticipated bringing a more detailed picture to the Board at the next meeting.

Chair Johnson asked for an update regarding the South San Francisco ferry service. Ms. Rannells said that the service launch and a kick-off ceremony had been tentatively scheduled for April 30 and that the Board would be updated with launch plans.

Ms. Rannells then noted the report included in the Board packet from WETA state legislative representative Barry Broad of Broad & Gusman, LLP which addressed the issue of simultaneous term expirations for the Board members.

Vice Chair Intintoli suggested that discussion of this item should be limited as it was not agendized. Ms. Rannells noted that Mr. Broad's report was informational only and essentially a more detailed restatement of his recommendations to the Board from the previous meeting. She noted that the dates included were merely placeholders and that additional Board discussion would be required before any action was taken. Vice Chair Intintoli said that he felt the recommendation did not completely solve the issue. He added that Director Johnson would also want to be present before the issue was discussed any further. Chair Johnson asked that the item be put on the agenda for discussion at the February meeting.

5. CONSENT CALENDAR

Vice Chair Intintoli made a motion to approve minutes from the December 8, 2011 Board of Directors meeting. Director Bellows seconded the motion and the item carried unanimously.

6. ADOPTION OF FARE SCHEDULE FOR THE VALLEJO FERRY SERVICE

Policy Analyst Lauren Duran-Gularte presented this item recommending that the Board adopt a fare structure for the Vallejo Ferry Service consistent with the same rates currently charged by the City of Vallejo. She reviewed the WETA's commitment to ensuring continuity in programs during the system consolidation and transition, detailed the public notification process, and reviewed staff analysis on Title VI and CEQA impacts.

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

7. APPROVE THE PURCHASE OF INSURANCE FOR THE SOUTH SAN FRANCISCO FERRY TERMINAL

Mr. Keith Stahnke presented this item requesting Board approval for the purchase of property insurance for physical damage to the piers, gangways, floats, and pilings at the South San Francisco ferry terminal from Alliant Insurance Services, Inc. in an amount not to exceed \$30,000. Mr. Stahnke reviewed the need for this insurance as well as WETA's recent experience investigating various insurance options for terminals during the City of Alameda ferry service transition.

Vice Chair Intintoli asked if it was an error that the report stated \$5 million for each occurrence and \$5 million in aggregate. Mr. Stahnke said that it should state \$1 million for each occurrence and \$9 million "in excess". Mr. Taylor III noted that this was similar to what was generally referred to as a bumpershoot policy.

Ms. Rannells noted that WETA had reviewed several quotes for the terminal insurance, and that over the next year WETA would seek to get policies and dates inline for insurance system-wide. She also suggested that while WETA had contracted Wells Fargo as an insurance broker, it was not always clear if they were advising or selling. Vice Chair Intintoli suggested that having a risk manager on staff was typical for many agencies. Ms. Rannells agreed, adding that as WETA was a small agency contracting such work would likely make sense. She said that WETA had worked with Darrell Handy over the course of the transitions with the Cities of Alameda and Vallejo and that it had been suggested that WETA contact him for advice on the matter.

Mr. Stahnke noted that WETA had looked into pooling with other small operators for insurance but that they were generally bus agencies and not compatible with WETA's maritime needs. Mr.

Stahnke added that the South San Francisco terminal was a new facility with a high replacement cost, and that the recent tsunami in Japan had also caused rates for waterside structures to rise. He suggested that WETA would need to be creative with its insurance program going forward, noting that Washington State Ferry self-insured for their first \$1 million. Ms. Rannells added that WETA's insurance needs were also very different from the Cities of Alameda and Vallejo run ferry services, as the services were able to utilize high deductible, low cost policies held by the cities for all of their city assets, which were not available to WETA.

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

8. AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A SUPPLEMENTAL AGREEMENT TO THE CLIPPER MEMORANDUM OF UNDERSTANDING WITH MTC AND OTHER TRANSIT OPERATORS

Planner/Analyst Michael Gougherty presented this item requesting that the Board authorize the Executive Director to execute a Supplemental Agreement to the Clipper Memorandum of Understanding with the Metropolitan Transportation Commission and other transit operators to implement the Clipper fare collection system at WETA.

Director Bellows noted that the price schedule attached to the Clipper contract referenced in the Board memo was not attached. Mr. Gougherty replied that it had been included in a change order brought to the Board the previous year, adding that these costs were specified in the contract between MTC and Cubic and that all operators using the Clipper system were subject to the same costs.

Chair Johnson asked where Cubic was from. Manager of Planning and Development John Sindzinski said that Cubic was headquartered in San Diego, adding that they had purchased the Australian firm ERG who had originally developed the system.

Director Bellows noted that the agreement stated that capital assets would belong to the operator but that his previous impression was that the equipment would be leased. Ms. Rannells responded that WETA would own the equipment. Mr. Gougherty elaborated that this would include stationary and handheld card readers and associated network-related equipment.

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

9. RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION

Chair Johnson called the meeting into closed session at 1:40 p.m. Upon reopening of the meeting at 2:40 p.m., she reported no action had been taken.

10. ADJOURNMENT

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

Respectfully Submitted,
Board Secretary
