

Members of the Board

Jody Breckenridge, Chair
Jeffrey DelBono
Anthony J. Intintoli, Jr.
Nicholas Josefowitz
James Wunderman, Vice Chair

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING**
Thursday, August 2, 2018 at 1:30 p.m.
Port of San Francisco
Pier 1
San Francisco, CA

The full agenda packet is available for download at sanfranciscobayferry.com/weta

AGENDA

1. CALL TO ORDER – BOARD CHAIR
2. PLEDGE OF ALLEGIANCE/ROLL CALL
3. REPORT OF BOARD CHAIR **Information**
4. REPORTS OF DIRECTORS **Information**
Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report to be made at another meeting.
5. REPORTS OF STAFF **Information**
 - a. Executive Director’s Report on Agency Projects, Activities and Services
 - b. Monthly Review of Financial Statements
 - c. Legislative Update
6. CONSENT CALENDAR **Action**
 - a. Board Meeting Minutes – June 7, 2018
7. APPROVE ACTIONS RELATED TO AWARD OF CONTRACTS TO SUPPORT TERMINAL DREDGING **Action**
8. AWARD CONTRACT TO HOPTHRU, INC. FOR A MOBILE TICKETING PLATFORM **Action**
9. RICHMOND FERRY TERMINAL PROJECT AND SERVICE UPDATE **Information**
10. APPROVE AMENDMENT TO AGREEMENT WITH GHIRARDELLI ASSOCIATES TO PROVIDE ADDITIONAL CONSTRUCTION MANAGEMENT SERVICES FOR THE RICHMOND FERRY TERMINAL PROJECT **Action**

Water Emergency Transportation Authority
August 2, 2018 Meeting of the Board of Directors

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| 11. <u>OPEN PUBLIC COMMENT PERIOD ON A PROPOSED FARE STRUCTURE FOR THE RICHMOND FERRY SERVICE</u> | Action |
| 12. <u>CITY OF ALAMEDA FUNDING REQUEST FOR SEAPLANE LAGOON PROJECT</u> | Information |
| 13. <u>REGIONAL MEASURE 3 PROGRAM AND PLAN UPDATE</u> | Information |
| 14. <u>STATUS REPORT ON STUDY OF POTENTIAL WETA SMALL VESSEL OPERATIONS</u> | Information |
| 15. <u>UPDATE ON POLICY DEVELOPMENT FOR PRIVATE FERRY LANDINGS AT WETA FACILITIES</u> | Information |
| 16. <u>CLOSED RECESS INTO CLOSED SESSION</u>
a. <u>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION</u>
Initiation of litigation pursuant to Government Code Section 54956.9:
one potential case | Action
To Be Determined |
| 17. <u>REPORT OF ACTIVITY IN CLOSED SESSION</u>
Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session. | Action
To Be Determined |
| 18. <u>PUBLIC COMMENTS FOR NON-AGENDA ITEMS</u> | |

ADJOURNMENT

All items appearing on the agenda are subject to action by the Board of Directors. Staff recommendations are subject to action and change by the Board of Directors.

PUBLIC COMMENTS WETA welcomes comments from the public. Each person wishing to address the Board of Directors is requested to complete a Speaker Card. Please forward completed Speaker Card and any reports/handouts to the Board Secretary. Speakers will be allotted no more than three (3) minutes to speak and will be heard in the order of sign-up. Said time frames may be extended only upon approval of the Board of Directors.

Non-Agenda Items: A 15 minute period of public comment for non-agenda items will be held at the end of the meeting. Please indicate on your speaker card that you wish to speak on a non-agenda item. No action can be taken on any matter raised during the public comment period.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item.

WETA meetings are wheelchair accessible. Upon request, WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. In addition, WETA will arrange for disability-related modifications or accommodations including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. Please send a written request including your name, mailing address, telephone number and brief description of the requested materials in preferred alternative format and/or auxiliary aid or service at least five (5) days before the meeting. Requests should be made by mail to: Board Secretary, WETA, 9 Pier, Suite 111, San Francisco, CA 94111; by e-mail to: contactus@watertransit.org; or by telephone: (415) 291-3377.

MEMORANDUM

TO: WETA Board Members

FROM: Nina Rannells, Executive Director

DATE: August 2, 2018

RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE

4 New Vessels – Central Bay

This project will construct four new 400-passenger high-speed 27-knot propeller vessels; two to replace the MV *Encinal* and *Harbor Bay Express II* and two to support the growing demand for WETA services.

The Board of Directors approved a contract with Aurora Marine Design (AMD) for vessel construction management services in December 2013, and with Kvichak Marine Industries - now Vigor Kvichak (Vigor) - in April 2015 for the construction of two new replacement vessels. Vessel construction began in September 2015. The first of these vessels, the MV *Hydrus*, was completed in March and put into revenue service in April 2017. The second of these vessels, the MV *Cetus*, was placed into revenue service in August 2017.

On October 6, 2016 the Board of Directors approved a contract award to Vigor for construction of two additional vessels. The first of these vessels, the MV *Argo* safely completed its trip from Seattle to San Francisco on May 18. The MV *Argo*, was placed into revenue service in June 2018. Work continues on the fourth vessel, the MV *Carina*. The hull sections with major machinery and systems installed were launched July 19 and taken to the Vigor Harbor Island facility in Seattle where the cabin module will be joined to the hull sections. The MV *Carina* is scheduled for completion in late December 2018.

3 New Vessels – North Bay

This project will construct three new 445-passenger high-speed 34-knot jet propulsion vessels to support WETA's Vallejo and North Bay services. In December 2015, the Board of Directors approved a contract with Fast Ferry Management for vessel construction management services. On September 1, 2016 the Board of Directors approved a contract award to Dakota Creek Industries for vessel construction. Vessel construction is in full swing.

The design and engineering work for the three new vessels is complete; all structural drawings have been approved by Det Norske Veritas (DNV) and are now under final review by the United States Coast Guard (USCG). Piping and electrical drawings have also been submitted to the USCG. The second and third shipsets of main engines were successfully factory tested in late April. Main engine exhaust emissions testing was also completed and Environmental Protection Agency (EPA) Tier 4 compliance for emissions was demonstrated at the factory. An agreement between WETA, MTU, Pacific Power Group and Dakota Creek for field testing of these first-ever MTU Tier 4 compliant engines has been finalized. MTU will be providing final CARB paperwork in August 2018 to document EPA Tier 4 or better exhaust emission levels.

Main propulsion equipment for the first vessel MV *Pyxis* has successfully been test fit into the vessel, and installation of mechanical and electrical systems is well underway. Final outfitting and painting of the MV *Pyxis* will be completed in August and the vessel will be moved out of the fabrication building and launched following completion of hull painting. Systems testing and sea trials will begin in September. Delivery of the vessel to Vallejo is projected to occur in early December 2018. Hull and superstructure construction on the second vessel MV *Vela* is at 90% complete. Waterjets have been installed on the MV *Vela* and the shipyard is starting the work to install mechanical and electrical systems. Hull framing for the third vessel, MV *Lyra*, is complete and her keel will be laid as soon as the MV *Pyxis* is moved out of the fabrication building in late August.

MV *Peralta* Mid-Life Project – Phase Two

This project provides for a general refurbishment of the vessel. On December 7, 2017 the Board of Directors approved a contract award to Marine Group Boat Works. The Phase Two refurbishment includes: renovation of the passenger cabins, bathrooms and galley, exterior paint and coatings, navigation electronics, control systems upgrades, steering system replacement, stern hull section module. The stern hull sections have been replaced with new modules and are complete. The cabin interior passenger spaces have been cleared and repainted and the overhead ceiling has been replaced. The main deck bar was removed; new flooring and counters are being installed. Control and navigation systems are being replaced. Deck coverings and seating will be added at the end of the project. The overall project is expected to be completed by mid-August.

New Commuter Class Vessel

In December 2017, the Board of Directors approved a release of a Request For Proposals (RFP) to procure a 250 passenger vessel, with potential options, that will establish a new class of WETA vessel with the versatility to support WETA's diverse system of services. On March 1, 2018, the Board of Directors approved a contract award to Glosten for Construction Management Services to support vessel construction. This mid-size high speed vessel will meet WETA's needs for serving both long and short routes and facilities constrained by vessel size and water depth. On July 20, 2018 five proposals were received from the following shipyards, in alphabetical order, as a part of the Phase I qualifications component of this procurement; All American Marine Inc. Bellingham, WA ; Dakota Creek Industries Inc. Anacortes, WA; Mavrik Marine La Conner, WA; Nichols Brothers Boat Builders Freeland, WA; Vigor Kvichak LLC Seattle, WA. All five proposals were determined to be responsive and met requirements for qualifications, experience, basic vessel design, references and financial capacity. Step Two requires proposers to submit detailed information regarding their proposed vessel, technical approach, management plan, delivery schedule and price proposal. Step Two submittals are due on September 9, 2018. Staff anticipates being in a position to recommend award of a contract for this work at a Board meeting later this year.

Central Bay Operations and Maintenance Facility

This project will construct a new ferry operations and maintenance facility at Alameda Point to serve as the base for WETA's existing and future Central Bay ferry fleet and operations. The project is being constructed by Overaa/Power, a Joint Venture, and construction management is being provided by 4Leaf, Inc. The building exterior skin was recently installed, and the waterside installation of floats and piles was completed in 2017. The project is scheduled for completion with a phased move-in schedule throughout the summer of 2018. A facility ribbon-cutting will be planned for late September or October once Blue & Gold Fleet has been able to complete their move.

Downtown San Francisco Ferry Terminal Expansion Project

This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new and existing ferry services to San Francisco. The project also includes landside improvements needed to accommodate expected increases in ridership, and to support emergency response capabilities. Project construction is being provided by Power Engineering under a Guaranteed Maximum Price contract, and construction management is being provided by CH2M Hill Engineers.

Site work began in February 2017, including the installation of construction fencing, site demolition, and placement of seismic, noise, vibration, and settlement monitoring devices. Dredging and pile driving work planned for 2017 was successfully completed within the six month regulatory window for in-water construction. The contractor has resumed pile driving work within the 2018 regulatory work window that began in June. In July, the contractor also continued to build formwork, install rebar, and pour concrete to construct the new promenade which will provide access to future Gates F and G, which are scheduled to open for service by the end of 2018. The full project is scheduled to be completed in late 2019.

Richmond Ferry Terminal and Service

This project will construct a ferry terminal in Richmond to support new public transit ferry service between Richmond and San Francisco. Construction will consist of replacement of an existing facility (float and gangway) and a phased parking plan. Manson Construction is the main contractor and construction management is being provided by Ghirardelli Associates. New service will be operated with the support of Contra Costa County Measure J funds authorized by the Contra Costa County Transportation Authority in March 2015.

Project dredging and pile removal was completed in October. The waterside pile installation was completed in November. Construction of the landside improvements commenced in February 2018. The estimated start date for Richmond operations is currently late fall 2018.

SERVICE DEVELOPMENT UPDATE

Mission Bay Ferry Landing

The Port of San Francisco released an engineering feasibility and site selection study for a future Mission Bay ferry landing in March 2016. WETA staff participated in the study and provided input regarding ferry operations and potential service models. In December 2016, the Port of San Francisco awarded a contract to COWI/OLMM to complete preliminary design, permitting and entitlement activities, and began the process in partnership with WETA. To support the effort, the City and Port of San Francisco placed \$7 million in its capital budget. A project Memorandum of Understanding (MOU) between the Port and WETA was adopted by the WETA Board in January 2017. Staff has been working together with Port staff and their consultants on initial design and environmental testing activities. The environmental document is complete and is scheduled for adoption in the early fall. The Port is working to identify funds to move the project forward to construction, and has submitted a request for WETA to program \$25 million in RM3 to support project construction.

Alameda Seaplane Lagoon Ferry Terminal

In April 2016, the Alameda City Council and WETA Board of Directors adopted a MOU defining a future service concept for western Alameda and identifying the terms and conditions under which a new Seaplane Lagoon Ferry Service would be implemented. The MOU defines roles and responsibilities for each party pertaining to the proposed construction of a new ferry terminal along Seaplane Lagoon on the former Naval Air Station at Alameda Point, future operation of the service, and the pursuit of funds necessary to support the new service. Staff

continues to work with the City to fulfill WETA's commitments under the MOU with the common goal of achieving the start of service by 2020.

On May 23, 2018, WETA staff attended a groundbreaking event for the Site A project, a 68-acre mixed use development that includes 800 housing units, commercial space, parks and the Seaplane Lagoon ferry terminal. The transfer of property from the City to the development team – Alameda Point Partners -- included a \$10 million contribution toward the Seaplane Lagoon Ferry Terminal. The City previously secured \$8 million from the Alameda County Transportation Commission for the terminal. The City has contracted with Marcy Wong Donn Logan Architects to complete the final design of the ferry terminal. WETA staff is participating in the design effort. The City is preparing to initiate float procurement in fall 2018 as the first phase of construction, provided that full funding is available for the project.

Redwood City Ferry Terminal

A Draft Redwood City Ferry Terminal site feasibility report was completed in 2012 in an effort to identify site opportunities, constraints and design requirements, and better understand project feasibility and costs associated with the development of a terminal and service to Redwood City. During the summer of 2016, staff from the Port of Redwood City (Port), WETA and Redwood City met to redefine the project, shifting the development toward a public facility available to multiple ferry operators in advance of formal WETA service given the lack of project funds for such service at this time. This alternative development model would allow the Port and City to move forward with construction of a terminal, allowing time for WETA and the City to advocate for operational and vessel funding for eventual WETA service.

Board Chair Breckenridge and Vice Chair Wunderman and WETA staff participated in a site visit to the Port on May 25, 2018 that also included Port Commissioners, the Mayor of Redwood City, and Councilmembers from Redwood City and Burlingame. In addition, staff from multiple agencies and private sector stakeholders such as Google and Prop SF were in attendance. The two-hour site event consisted of a visit to an adjacent property to view a potential ferry terminal location and an hour of presentations and discussion among the group.

Redwood City has taken the lead role for implementation of the Ferry Terminal Project. The City was awarded \$450,000 in Measure A funds to prepare a Financial Feasibility Study and Cost Benefit Analysis Report for the Redwood City Ferry Terminal Construction and Service. The City is currently reviewing a draft MOU with WETA that defines agency roles and future operating conditions. The City will be entering a separate agreement with the San Mateo County Transportation Authority to develop and adopt the Feasibility Study and Business Plan. The MOU and release of a Request for Proposals are expected in fall 2018.

Treasure Island Service

This project - which will be implemented by the Treasure Island Development Authority (TIDA), the San Francisco County Transportation Authority (acting in its capacity as the Treasure Island Mobility Management Authority), and Lennar Urban, the prospective developer - will institute new ferry service between Treasure Island and downtown San Francisco in connection with the planned Treasure Island Development Project. The anticipated start of operations would be 2023 given the current development project schedule.

WETA staff is working with City of San Francisco staff to support development of this project. In that capacity, they are participating in regular meetings of the City's Technical Advisory Committee, convened to update and further develop the Treasure Island Mobility Management

Program that will include a new ferry service to be provided in conjunction with the development project.

SYSTEM PLANS/STUDIES

Alameda Terminals Access Initiatives

The City of Alameda City Council authorized a residential parking permit program for the Harbor Bay Ferry Terminal area in February 2017. City of Alameda staff coordinated with the Harbor Bay Master Homeowner's Association to develop a strategy for implementing the residential permit and enforcement program, including outreach to surrounding communities and ferry riders. On June 27, the City began the outreach effort with cooperation from WETA through the Bay Alerts system. The City continued its outreach process through the end of August and began active enforcement in September 2017. To make up for the loss of parking, WETA began working with the City to develop strategies to enhance alternative access to the terminal, and staff executed an agreement with AC Transit to offer a free transfer to ferry riders who take the bus to the ferry. In addition, bike lockers were upgraded and new bike racks were installed.

Recently, the City submitted an application to allow on-street parking on Harbor Bay Parkway and Adelphian Way, two streets where BCDC has imposed no parking or limited parking rules. A group of Harbor Bay riders have submitted letters of support for the City proposal and WETA staff has also written to support the proposed change as a benefit to ferry riders.

At the request of the Harbor Bay Homeowner's Association and the City of Alameda, WETA has been considering a parking fee at the Harbor Bay lot. WETA staff has engaged CDM Smith to evaluate potential parking fee programs, not just for Harbor Bay but for the entire WETA system. A program of systemwide parking fee program policy goals was approved by the WETA Board in November 2016 that will be used to guide the development of a specific paid parking program for the Harbor Bay Terminal site. Staff anticipates bringing a recommendation for a parking fee program in fall of 2018.

At Main Street, WETA worked with City of Alameda staff beginning in spring 2015 to open the Officer's Club parking lot as an overflow lot for the many riders who had been parking on dirt lots or on the shoulders of Main Street. WETA funded a new crosswalk and minor improvements to the lot, which opened to ferry riders on May 24, 2016. In addition to the parking improvements, 20 bicycle lockers at the Main Street terminal -- funded through a grant from the Bay Area Air Quality Management District -- were installed on February 22, 2016. Staff shifted focus to identify additional access improvement possibilities - such as buses, shuttles, bicycles, and pedestrian improvements - after the parking improvements were underway, and have met with private companies like Lyft, Chariot and Scoop in an effort to explore alternative options for improving transportation options for ferry riders in Alameda and elsewhere.

Berkeley Environmental Studies

The proposed Berkeley service will provide an alternative transportation link between Berkeley and downtown San Francisco. In past years, staff has coordinated with Federal Transit Administration (FTA) staff to discuss the process for completion of the Final EIS/EIR. FTA indicated that it would not be able to complete the NEPA process and issue a Record of Decision because a long-term operational funding source was not available for the service at the time. Staff has been working with City of Berkeley staff and its consultant, which is undergoing a master planning process for the Berkeley Marina and possible rehabilitation of the Berkeley Pier. Staff is in communication with Berkeley staff in an effort to identify opportunities to move this project forward in the near future.

Solano County Water Transit Plan and Financial Feasibility Study

The Solano Transportation Authority (STA) has begun a feasibility study of potential ferry and water transit routes in and around Solano County. WETA is a partner on the study by serving on a Technical Advisory Committee and funding the necessary ridership forecasting tasks, similar to the role WETA played in the 2014 Ferry Feasibility Study in Contra Costa County. The STA study is expected to be complete in the early part of 2019. Staff will provide the Board with updates as the study progresses.

Small Vessel Service Study

An Advisory Committee of the Board has been formed and has met on two occasions to initiate study of small vessels as a complement to WETA's service. The Board Subcommittee consists of Board members Josefowitz and Intintoli and a transportation consultant – ARUP – has been engaged to perform the analysis. A more detailed report regarding the initial work of this study is included as a stand-alone item on the August Board Meeting agenda.

EMERGENCY RESPONSE ACTIVITIES UPDATE

WETA's enabling legislation directs the agency to provide comprehensive water transportation and emergency coordination services for the Bay Area region. Staff is currently working on the following emergency response related activities:

Vessel Mutual Assistance Plan and Oakland Airport Water Rescue Plan Validation Exercise:
WETA and Blue & Gold Fleet are starting to plan for a fall exercise with the Oakland Airport and other ferry operators on the Bay testing the Oakland Airport's Water Rescue Plan in the event of a plane landing in the San Francisco Bay. The exercise is being designed to satisfy the exercise requirements for the Vessel Mutual Assistance Plan as required by USCG and will take place during Urban Shield's Red Command exercise with firefighters on Saturday September 8.

Central Bay Operations & Maintenance Facility Emergency Operations Center (EOC):
Staff is continuing to work on ordering emergency communications equipment for the Central Bay Operations & Maintenance Facility, and developing a functional layout for converting the conference room into an EOC during an event requiring EOC activation.

WETA Staff Exercise:

On June 27, staff participated in a functional exercise that tested staff's knowledge gained during the two emergency response staff training sessions held earlier this year. The exercise was based on an earthquake scenario and focused on achieving the following objectives:

- Testing staff's understanding of the duties and responsibilities required for each EOC position;
- Evaluating staff's ability to develop an emergency water transportation operational service plan within two hours of direction from proper authority;
- Using procedures in the Emergency Operations Plan to develop a plan to procure and distribute fuel; and
- Creating an Action Plan for the next operational period.

Almost all WETA staff as well as a representative from Blue & Gold fleet participated in the exercise. Staff was able to use the Emergency Operations Plan and knowledge from recent training sessions to create a service plan in response to a request to transport first responders from CalOES, develop a plan for ordering fuel and create an action plan. Staff did an excellent

job of working together and were motivated, knowledgeable and professional. Additional staff training sessions later this year and another functional exercise next year will build on the knowledge gained and lessons learned in this exercise.

OTHER PROJECTS

Website Upgrades

Upgrades to the San Francisco Bay Ferry and WETA websites launched June 16. Site improvements include improved accessibility, security upgrades, and responsive design, as well as a dedicated subdomain for WETA projects at weta.sanfranciscobayferry.com.

Ridership Database

WETA has contracted with TransSight LLC to build a web-based Ridership Database and Reporting System to improve access to and use of ridership and other operating data from Blue & Gold Fleet's data systems. The new database will import data on a nightly basis directly from Blue & Gold Fleet's database, allow WETA to incorporate data not included in the existing database and improve staff's access to and aid interpretation of ridership data for management and reporting purposes. It will also provide custom reports for staff use and generate inferred data for reporting as required by WETA's various funding partners. Additionally, the database will improve public access to ridership data via a portal on WETA's website. The Ridership Database and Reporting System is currently undergoing user acceptance testing. User training is anticipated to take place during the week of August 6.

Mobile Ticketing Platform

WETA is in the process of developing a mobile ticketing platform that will allow riders to use their mobile devices to buy tickets for the ferry. Visitors and other infrequent riders who do not have Clipper Cards will be the primary users of the mobile ticketing platform. WETA has contracted with on-call technical consultant BlinkTag, Inc. for assistance with market research and RFP development. WETA plans to launch the mobile ticketing platform in September 2018. Staff released the RFP on May 17, following board approval in the May 10 meeting. Staff received proposals on June 18 and conducted interviews on July 12. An item for contract award will be brought forward for consideration at the August 2 Board of Directors meeting.

OPERATIONS REPORT

Programmed fare adjustments consistent with WETA's five year fare program were implemented on July 1. The Fourth of July evening trips after the fireworks were well utilized; however, ridership was lower than in prior years likely due to the fact the holiday was on a Wednesday this year.

Monthly Operating Statistics - The Monthly Operating Statistics Report for May and June 2018 is provided as **Attachment A**.

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On June 14, WETA held its naming ceremony of the Charlene Haught Johnson North Bay Operations and Maintenance Facility on Mare Island in recognition of Charlene's commitment to the start-up and growth of the agency in her nearly 14 years of service as the original WTA/WETA Chairperson.

On June 21, Lauren Gularte attended the Regional Port Reopening Workshop at FEMA Region IX Regional Response Center which focused on fuel needs in a regional emergency.

On June 26, Lauren Gularte attended the City of Alameda's Disaster Council meeting.

On June 27, Nina Rannells, Keith Stahnke and Blue & Gold staff met with with Captain Ceraolo, USCG Sector San Francisco Commander and Captain of the Port, who personally presented WETA with the Certificate of Inspection for the MV Argo and spent some time touring the vessel.

On June 29, Taylor Rutsch and Mike Gougherty attended the Clipper Staff Liason meeting and Horizon/Plan Bay Area meeting at MTC.

On July 13, Lauren Gularte attended the Regional Business Outreach Committee meeting.

On July 17, Lauren Gularte was sworn in as a member of the Area Maritime Security Committee at their regularly scheduled meeting.

On July 19-20 various WETA staff participated in the Federal Transit Administration's Triennial Review of the agency.

On July 20, Keith Stahnke was interviewed by Channel 4 to talk about safety on WETA's ferries as a part of an evening news segments that night.

OTHER BUSINESS

Regional Measure 3

Senate Bill 595 (Beall), authorized a new bridge toll measure -Regional Measure 3- to raise the tolls on the state-owned bridges to fund a program of regional transportation improvements in the San Francisco Bay Area. In June 2017, during the development of this bill, the WETA Board adopted a Regional Measure 3 Principles and Investment Program. The final measure adopted by the legislature included \$300 million in capital funds to support construction of WETA vessels, terminals and facilities and an operating subsidy of up to \$35 million annually to support WETA's growing regional ferry system.

On January 24, 2018, the Bay Area Toll Authority authorized moving forward to place Regional Measure 3 on the June 5, 2018 ballot. The measure, which passed by a majority of Bay Area voters, will raise tolls by \$3 over a six year period starting with a \$1 increase on January 1, 2019, and followed by additional \$1 increases in January 2022 and January 2025.

On July 5, 2018 the Howard Jarvis Taxpayers Association filed a lawsuit against the Bay Area Toll Authority and the State Legislature arguing that a bridge toll is a tax and therefore subject to a two-thirds vote requirement of the electorate or the Legislature. At this time, it is not known how the lawsuit will affect the toll increase or availability of funding from RM 3.

Staff is working with MTC to identify requirements to begin securing RM3 funds in 2019, should they be available, and will discuss this with the Board under a separate agenda item.

Federal Transit Administration Triennial Review

Recipients of Federal Transit Administration (FTA) funds are required to undergo an FTA Triennial Review every three years. This comprehensive review examines 20 review areas to assess a recipient's management and oversight practices, policies and procedures to ensure that the recipient is administering its FTA-funded programs in accordance with federal law and FTA requirements, and that recipients are meeting FTA program objectives. WETA's Triennial Review was conducted in July after months of preliminary work and preparation. Staff was notified of the review in October 2017, prepared and submitted required materials as requested in January 2018, prepared requested supplemental materials in July 2018, and participated in

the two-day on-site review on July 19-20. WETA passed the review with 100% compliance and no FTA findings, which is reflective of the enormous amount of time and care that staff puts into their work across the organization.

END

Attachment A

Monthly Operating Statistics Report May 2018

			Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo*	Systemwide
Boardings	<i>vs. last month</i>	Total Passengers May 2018	116,780	28,659	13,111	93,573	252,123
		Total Passengers April 2018	108,041	27,337	12,435	89,555	237,368
		Percent change	8.09%	4.84%	5.44%	4.49%	6.22%
	<i>vs. same month last year</i>	Total Passengers May 2018	116,780	28,659	13,111	93,573	252,123
		Total Passengers May 2017	113,033	29,436	12,878	93,699	249,046
		Percent change	3.31%	-2.64%	1.81%	-0.13%	1.24%
	<i>vs. prior FY to date</i>	Total Passengers Current FY To Date	1,175,699	304,236	132,204	949,408	2,561,547
		Total Passengers Last FY To Date	1,059,723	291,925	123,445	898,892	2,373,985
		Percent change	10.94%	4.22%	7.10%	5.62%	7.90%
	Avg Weekday Ridership May 2018	3,932	1,303	596	3,420	9,251	
Ops Stats	Passengers Per Hour	145	174	77	136	138	
	Revenue Hours	805	165	171	689	1,830	
	Revenue Miles	11,176	3,530	2,717	22,114	39,537	
Fuel	Fuel Used (gallons)	54,443	12,159	12,219	149,571	228,392	
	Avg Cost per gallon	\$2.75	\$2.75	\$2.75	\$2.68	\$2.70	

* Includes backup bus boardings. May bus ridership totaled 149 for Vallejo.

Attachment A

Monthly Operating Statistics Report June 2018

			Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo*	Systemwide
Boardings	<i>vs. last month</i>	Total Passengers June 2018	135,342	28,047	12,531	106,933	282,853
		Total Passengers May 2018	116,780	28,659	13,111	93,573	252,123
		Percent change	15.89%	-2.14%	-4.42%	14.28%	12.19%
	<i>vs. same month last year</i>	Total Passengers June 2018	135,342	28,047	12,531	106,933	282,853
		Total Passengers June 2017	123,465	29,364	12,875	101,881	267,585
		Percent change	9.62%	-4.49%	-2.67%	4.96%	5.71%
	<i>vs. prior FY to date</i>	Total Passengers Current FY To Date	1,311,041	332,283	144,735	1,056,342	2,844,401
		Total Passengers Last FY To Date	1,183,188	321,289	136,320	1,000,773	2,641,570
		Percent change	10.81%	3.42%	6.17%	5.55%	7.68%
	Avg Weekday Ridership June 2018	4,668	1,336	597	4,082	10,682	
Ops Stats	Passengers Per Hour	174	178	77	163	161	
	Revenue Hours	779	158	163	656	1,756	
	Revenue Miles	10,803	3,370	2,594	20,931	37,698	
Fuel	Fuel Used (gallons)	52,740	13,238	14,615	186,319	266,912	
	Avg Cost per gallon	\$2.65	\$2.65	\$2.65	\$2.64	\$2.65	

* Includes backup bus boardings. June bus ridership totaled 496 for Vallejo.

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Lynne Yu, Finance & Administration Manager**

SUBJECT: Monthly Review of FY 2017/18 Financial Statements for Twelve Months Ending June 30, 2018

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2017/18 Financial Statements for twelve months ending June 30, 2018.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenues	\$18,567,318	\$18,848,600	\$20,403,076
Bridge Toll Revenues	14,586,049	21,202,900	17,379,306
Other Revenues	90,208	728,000	15,310
Total Operating Revenues	\$33,243,576	\$40,779,500	\$37,797,692
Expenses - Year To Date:			
Planning & Administration	\$2,473,068	\$3,000,000	\$2,758,935
Ferry Services	30,770,509	37,779,500	35,038,757
Total Operations Expenses	\$33,243,576	\$40,779,500	\$37,797,692
System-Wide Farebox Recovery %	60%	50%	58%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2017/18 Budget
Revenues:		
Federal Funds	\$17,703,959	
State Funds	62,432,686	
Bridge Toll Revenues	19,270,487	
Other Revenues	1,070,671	
Total Capital Revenues	\$100,477,803	72.42%
Expenses:		
Total Capital Expenses	\$100,477,803	72.42%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Area Water Emergency Transportation Authority
FY 2017/18 Statement of Revenues and Expenses
For Twelve Months Ending 6/30/2018

% of Year Elapsed 100%

	Jun-18 Actual	Year - To - Date			Variance to	
		FY2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Actual	FY2016/17 Actual	FY2017/18 Budget
OPERATING EXPENSES						
<u>PLANNING & GENERAL ADMIN:</u>						
Wages and Fringe Benefits	\$422,825	\$1,318,905	\$1,419,500	\$1,407,406	88,501	(12,094)
Services	208,303	1,029,311	1,657,000	1,147,864	118,553	(509,136)
Materials and Supplies	278,685	116,794	86,200	327,249	210,455	241,049
Utilities	8,439	22,439	28,500	40,442	18,003	11,942
Insurance	23,814	23,498	26,000	25,015	1,517	(986)
Miscellaneous	31,562	306,821	259,300	221,399	(85,423)	(37,901)
Leases and Rentals	31,076	346,361	368,600	372,618	26,257	4,018
Admin Overhead Expense Transfer	(64,143)	(691,062)	(845,100)	(783,058)	(91,996)	62,042
Sub-Total Planning & General Admin	\$940,561	\$2,473,068	\$3,000,000	\$2,758,935	285,868	(241,065)
<u>FERRY OPERATIONS:</u>						
<u>Harbor Bay FerryService</u>						
Purchased Transportation	\$147,738	\$1,496,358	\$2,027,500	\$1,975,125	478,767	(52,375)
Fuel - Diesel & Urea	35,082	281,271	511,900	432,133	150,861	(79,767)
Other Direct Operating Expenses	48,325	395,396	563,300	432,376	36,980	(130,924)
Admin Overhead Expense Transfer	8,146	87,882	107,200	99,138	11,256	(8,062)
Sub-Total Harbor Bay	\$239,291	\$2,260,908	\$3,209,900	\$2,938,772	677,864	(271,128)
Farebox Recovery	57%	67%	49%	50%	-17%	1%
<u>Alameda/Oakland Ferry Service</u>						
Purchased Transportation	\$761,704	\$7,158,716	\$8,577,800	\$8,199,010	1,040,294	(378,790)
Fuel - Diesel & Urea	139,772	1,078,568	2,034,000	1,540,567	461,999	(493,433)
Other Direct Operating Expenses	210,857	1,237,878	1,767,800	1,446,444	208,566	(321,356)
Admin Overhead Expense Transfer	27,694	288,170	364,800	339,184	51,014	(25,616)
Sub-Total Alameda/Oakland	\$1,140,026	\$9,763,332	\$12,744,400	\$11,525,205	1,761,873	(1,219,195)
Farebox Recovery	63%	62%	47%	61%	-1%	14%
<u>Vallejo FerryService</u>						
Purchased Transportation	\$938,435	\$10,541,806	\$10,637,900	\$11,017,920	476,114	380,020
Fuel - Diesel & Urea	498,167	3,520,577	5,342,100	4,374,640	854,063	(967,460)
Other Direct Operating Expenses	46,975	1,751,223	1,588,300	1,638,824	(112,399)	50,524
Admin Overhead Expense Transfer	23,872	265,699	314,400	361,813	96,114	47,413
Sub-Total Vallejo	\$1,507,449	\$16,079,304	\$17,882,700	\$17,393,197	1,313,893	(489,503)
Farebox Recovery	67%	62%	57%	62%	0%	5%
<u>South San Francisco FerryService</u>						
Purchased Transportation	\$189,828	\$1,828,791	\$2,699,100	\$2,302,026	473,235	(397,074)
Fuel - Diesel & Urea	38,733	341,947	583,000	408,264	66,316	(174,736)
Other Direct Operating Expenses	48,463	446,915	601,700	417,815	(29,100)	(183,885)
Admin Overhead Expense Transfer	4,431	49,311	58,700	53,479	4,168	(5,221)
Sub-Total South San Francisco	\$281,455	\$2,666,965	\$3,942,500	\$3,181,583	514,618	(760,917)
Farebox Recovery	34%	37%	26%	33%	-4%	8%
Total Operating Expenses	\$4,108,783	\$33,243,576	\$40,779,500	\$37,797,692	\$4,554,116	(2,981,808)
OPERATING REVENUES						
Fare Revenue	\$1,963,303	18,567,318	\$18,848,600	\$20,403,076	1,835,757	1,554,476
Regional - Bridge Toll	2,143,681	14,586,049	21,202,900	17,379,306	2,793,257	(3,823,594)
Regional - Alameda Tax & Assessment			728,000	-	-	(728,000)
Other Revenue	1,800	90,208	-	15,310	(74,898)	15,310
Total Operating Revenues	\$4,108,783	\$33,243,576	\$40,779,500	\$37,797,692	\$4,554,116	(2,981,808)

San Francisco Bay Area Water Emergency Transportation Authority
FY 2017/18 Statement of Revenues and Expenses
For Twelve Months Ending 6/30/2018

Project Description	Jun-18 Actual	Project Budget	Prior Years Actual	FY2017/18 Budget	FY2017/18 Actual	Future Year	% of Total Project Budget
CAPITAL EXPENSES:							
FACILITIES:							
Terminal Construction							
Downtown Ferry Terminal Expansion - South Basin	\$3,138,772	\$97,965,000	\$15,787,480	\$36,792,520	\$30,049,287	\$45,385,000	47%
Richmond Ferry Terminal	2,710,243	20,000,000	2,590,699	12,409,301	8,543,563	5,000,000	56%
Maintenance and Operations Facilities							
North Bay Operations & Maintenance Facility	286,275	31,082,000	29,996,658	1,085,342	811,660	0	99%
Central Bay Operations & Maintenance Facility	578,490	69,500,000	31,431,761	37,068,239	29,291,961	1,000,000	87%
Terminal Improvement							
Terminal Dredging - Vallejo and SSF Terminals	62,146	3,750,000	-	88,000	87,064	3,662,000	2%
FERRY VESSELS:							
Vessel Construction							
400-Pax Replacement Vessels - M/V Hydrus & M/V Cetus	-	33,951,000	31,175,793	2,775,207	2,329,475	-	99%
445-Pax Replacement Vessel - M/V Vallejo	1,061,547	23,372,000	4,694,001	12,777,999	7,748,999	5,900,000	53%
445-Pax Expansion (Waterjet) Vessels - 2 vessels	711,150	46,745,000	7,619,930	11,000,070	7,937,814	28,125,000	33%
400-Pax Expansion (Propeller) Vessels - 2 vessels	1,043	33,400,000	17,552,573	10,847,427	6,791,119	5,000,000	73%
New High-Speed Vessel	40,208	14,000,000	-	750,000	92,261	13,250,000	1%
Vessel Rehabilitation and Refurbishment							
Vessel Mid-Life Refurbishment Phase II - M/V Peralta	38,094	5,117,000	-	5,117,000	2,929,906	-	57%
Major Component Rehabilitation - M/V Solano	-	780,000	8,503	771,497	711,095	-	92%
Vessel Engine Overhaul - M/V Bay Breeze	427,444	850,000	-	850,000	820,384	-	97%
Vessel Qtr-Life Refurbishment - M/V Taurus	-	2,500,000	-	2,500,000	2,283,249	-	91%
Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island	-	3,000,000	-	15,000	0	2,985,000	0%
Vessel Qtr-Life Refurbishment - M/V Scorpio	-	2,500,000	-	2,500,000	0	-	0%
CAPITAL EQUIPMENT / OTHER:							
CCTV and LCD Network Integration	(609)	400,000	-	400,000	0	-	0%
Purchase Lifesaving Equipment (IBAs)	22,374	90,000	-	90,000	22,877	-	25%
Purchase Spare Vessel Engine	-	400,000	-	400,000	0	-	0%
Purchase Service Vehicles	(2,465)	500,000	-	500,000	27,088	-	5%
Total Capital Expenses	\$9,074,712	\$389,902,000	\$140,857,399	\$138,737,600	\$100,477,803	\$110,307,000	
CAPITAL REVENUES:							
Federal Funds	\$1,269,922	\$85,324,816	\$35,497,889	\$25,870,101	\$17,703,959	\$23,956,826	62%
State Funds	5,671,538	234,349,000	81,530,443	88,410,720	62,432,686	64,407,836	61%
Regional - Bridge Toll	2,103,869	63,201,032	19,915,315	22,003,379	19,270,487	21,282,337	62%
Regional - Alameda Sales Tax Measure B / BB	7,619	5,437,152	3,913,752	1,523,400	607,794	-	83%
Regional - Alameda TIF / LLAD	21,764	490,000	-	490,000	22,877	-	5%
Regional - San Francisco Sales Tax Prop K	-	1,100,000	-	440,000	440,000	660,000	40%
Total Capital Revenues	\$9,074,712	\$389,902,000	\$140,857,399	\$138,737,600	\$100,477,803	\$110,307,000	

TO: WETA Board Members

FROM: Peter Friedmann, WETA Federal Legislative Representative
Ray Bucheger, WETA Federal Legislative Representative

SUBJECT: WETA Federal Legislative Board Report – August 2018

This report covers the following topics:

1. Infrastructure Talk Continues, But Without Real Action
2. Congress Pushing DOT to Review Grant Applications More Quickly
3. Congressional Engagement in 2018

Infrastructure Talk Continues, But Without Real Action

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) is trying to keep the conversation going on infrastructure by releasing a framework document for what he wants to see in a future infrastructure bill, including changes to federal transportation programs, permitting reform, and ideas for raising the revenue needed to pay for new infrastructure investment. On the latter, his framework document includes proposals to establish a Highway Trust Fund Commission to make recommendations to Congress to achieve the long-term solvency of the Highway Trust Fund (HTF), which is the primary mechanism for paying for roads, bridges and transit; to establish a national, volunteer-based pilot program to demonstrate whether a per-mile user fee can replace the gas tax and to generate additional funding through various user fees and taxes.

While Shuster's plan will generate some chatter, it is not a sign that Congress will be taking up an infrastructure bill any time soon. Democrats on the committee have provided little to no input on Shuster's document. Instead, the Democrats are developing their own plan, which they will release in early 2019 if the Democrats win enough seats in November to take control of the House.

Congress Pushing DOT to Review Grant Applications More Quickly

It is well known amongst public ferry operators that the Federal Transit Administration (FTA) has been slow in reviewing applications for ferry funding in recent years, and that as a result, the agency generally awards two years worth of funding at a time (even though funding is supposed to be awarded on an annual basis). The FTA is not the only agency at DOT that takes too long to award grant money, and this fact has caught the attention of Congress, which is putting pressure on DOT to review applications more quickly and award grants on a timely basis. Whether this means that FTA will start awarding ferry funding for a single year remains an open question, but it is something that we will be working to determine before the next notice of funding opportunity hits the street.

Congressional Engagement in 2018

We are continuing to work with WETA staff to look for various opportunities to engage certain key members of Congress outside of Washington, D.C. This includes possibly getting Washington Senator Patty Murray and / or Washington Congressman Rick Larsen to a Washington shipyard for a photo-op; inviting Rep Barbara Lee to the opening of the Central Bay Maintenance Facility; inviting Rep Nancy Pelosi to the ribbon cutting for phase I of the Downtown Ferry Building project; and inviting Rep Mark DeSaulnier to the opening of the Richmond ferry building.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger

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

(June 7, 2018)

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

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:33 p.m.

2. ROLL CALL

Chair Breckenridge, Vice Chair James Wunderman, Director Anthony Intintoli, and Director Nick Josefowitz were in attendance.

3. REPORT OF BOARD CHAIR

Chair Breckenridge reported that she and other WETA staff had traveled to Washington, D.C. for an overlapping trip with the Bay Area Council (BAC) where they visited many representatives from transportation and infrastructure committees. She said that WETA's federal representatives have done an excellent job on WETA's behalf, and she reminded Directors that important transportation and infrastructure legislation opportunities will be taken up on Capitol Hill early next year.

Chair Breckenridge thanked WETA staff and Blue & Gold Fleet for their kind and engaging hosting of 140 sixth and seventh grade students from Richmond and Oakland on a ferry ride out on the bay. She noted that for many of those students, that was the first time they had been on a boat. Chair Breckenridge said that everyone who participated in the event was wonderful.

Chair Breckenridge reported that the newest vessel to join the WETA fleet, the MV *Argo*, had just been officially welcomed into service, and that a fourth vessel in the *Hydrus* class was expected to be delivered in early 2019.

Chair Breckenridge thanked everyone who voted in the statewide June 5 election. She extended extra special thanks to those at the BAC who worked tirelessly on the campaign to promote Regional Measure 3 (RM3), the successful passing of which paints an optimistic picture for future WETA service.

Chair Breckenridge said that she and the Vice Chair, along with WETA staff, had attended a meeting in Redwood City to discuss how a future ferry will fit into the city's future waterfront development plans. She said 30 other city and regional employer representatives, including from Google, had participated. Chair Breckenridge further explained that about 1,000 new homes were planned for downtown Redwood City. She said the meeting had included excellent discussions and WETA and the city had a good partnership in place for the future planning.

4. REPORTS OF DIRECTORS

Vice Chair Wunderman reported having good meetings during the BAC and WETA visits in Washington, D.C. where he said he had met with Senators Feinstein and Harris, and with Representative Pelosi. He said it was great to be able to express gratitude in person for the recent federal grant award of \$5 Million

to WETA to refurbish the MV *Solano*. Vice Chair Wunderman said he believed that there were opportunities to expand Washington's support for transportation and infrastructure even further, and he added that the passing of RM3 in California is a strong sign of support for the region's transportation infrastructure and services.

Director Intintoli said he was very pleased that Bay Area voters passed RM3 on June 5.

5. REPORTS OF STAFF

Ms. Rannells shared her written report with Directors and welcomed questions. She reported that on May 23, she and staff had attended the City of Alameda's Site A groundbreaking event at the development site, adjacent to the future home of WETA service at the Seaplane Lagoon Ferry Terminal.

Directors asked about including some additional information on the monthly Director's reports. It was agreed that as a fresh start with the passing of RM3, staff will provide some additional financial and operating statistics information options to Directors for their consideration on future monthly reports.

Director DelBono joined the meeting at 1:48 p.m.

6. CONSENT CALENDAR

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

- a. Board Meeting Minutes – May 10, 2018
- b. Overview of FY 2017/18 Financial Audit Scope and Process
- c. Authorize the Executive Director to Execute a New Master Agreement for State Funded Transit Projects with the California Department of Transportation

Vice Chair Wunderman seconded the motion and the consent calendar carried unanimously.

Yeas: Breckenridge, DelBono, Intintoli, Josefowitz, Wunderman. Nays: None.

7. DISCUSSION AND POTENTIAL ACTION ASSOCIATED WITH TIDELINE MARINE GROUP'S REQUEST TO CONDUCT SMALL VESSEL PRIVATE CHARTER LANDINGS AT THE HARBOR BAY TERMINAL

Ms. Rannells presented this item for Directors to discuss a request from Tideline Marine Group (Tideline) to land four times each weekday at the Harbor Bay Ferry Terminal in Alameda. Director Josefowitz asked if the item should be discussed in closed session because it was related to a potential contractual agreement. WETA legal counsel Madeline Chun of Hanson Bridgett LLP explained that the Item was presented for Board discussion and input regarding Board policy issues, and did not qualify for a Brown Act exemption or require Directors to enter closed session for the discussion.

Ms. Rannells explained that staff had identified potential slots in between the regularly scheduled WETA Harbor Bay commuter ferry landings at the terminal that could possibly support the proposed landings without predictable disruption to regular WETA service. She said that after the demonstration landing tests with Tideline's vessel, staff worked with legal counsel to draft a landing rights Agreement which had been provided to the Tideline team and was included with the Item for Board review.

Ms. Rannells reviewed eight areas of concern relating primarily to safety, accessibility, and operational compatibility that had been compiled by staff after three demonstration meetings with Tideline at the Harbor Bay Terminal facility to test the landing of their small vessel, the *Osprey*, and its physical fitting and match-up to the terminal. The 8 areas for discussion that were identified include Americans with Disabilities Act (ADA) accessibility of the vessel, U.S. Coast Guard vessel compliance, contract draft

terms, landing fees, timing, customer experience, prevailing wage standards, and WETA's underlying rights.

Ms. Rannells said that Tideline had made some modifications to the back of their vessel to improve fit at the terminal, the results of which Directors were able to view in photographs provided with the Item. She noted that one of the issues of paramount concern was the rejection by Tideline of the draft contract terms that would allow WETA to cancel the contract freely and at any time for convenience, should that need arise prior to the end of the proposed six month trial period. Ms. Rannells added that the liability protection of Blue & Gold Fleet, WETA's contract operator whose engineers are responsible for hands-on maintenance of the Harbor Bay Ferry Terminal facility, was also of particular concern.

Ms. Rannells further explained that WETA does not own the Harbor Bay Ferry Terminal property, and its landing rights at the facility had been granted to WETA by the City of Alameda, which had been granted that ability by the Harbor Bay Isle Associates. She said that the City of Alameda must be consulted on Tideline's request, and these original agreements will need to be carefully reviewed to clarify whether WETA is the legal entity with rights to grant ongoing, regular landing rights at the property to other entities.

Ms. Rannells explained that WETA has worked diligently since its inception on project labor agreements for its facilities construction projects, and has worked with Blue & Gold Fleet through their labor negotiations to assure prevailing and living wages for its contracted onboard crews and vessel and facilities engineers. She noted that this was also a very important standard to consider in this discussion.

Ms. Rannells reminded Directors that the Board had recently created a committee to study the role of small vessels in WETA service, and she suggested that it made sense to develop a policy for small vessel landings, such as the Tideline request, as a part of this study. She further noted that while Tideline would not be a WETA operator, any passenger experience on a Tideline vessel that is landing at a WETA terminal will inevitably be associated with the San Francisco Bay Ferry brand. She said that an important consideration in creating policies for this request will be whether Directors want to require safety and service standards equal to the WETA safety and service standards already established and in use across all WETA service operations.

Director Intintoli thanked Ms. Rannells for recognizing that the staff concerns presented are policy issues that will require Board thought and input. He asked, with these outstanding concerns that have arisen in the consideration of the request, why the Board would even want to grant landing rights to another entity. He said the small vessel study committee should review this request, along with all of the other things related to small vessels that it is studying. Director Intintoli added that he was especially concerned about safety and accessibility standards for people with mobility challenges. He said that he does not want to just rush this request through and added that he is not in favor of using the public's tax dollars for maintenance and support of a facility that supports private, commercial entities.

Director Intintoli also said that the Board needs to discuss small vessels in relation to WETA's emergency response mandate. He explained that in the event of an emergency, WETA will need to move crews and smaller groups of people and they will need their own small vessels to utilize for that purpose.

Director DelBono said he believed that working through this process was a really important step in increasing the quality of life for Bay Area residents, and especially those living in the Harbor Bay area in Alameda. He said everyone in the Bay Area is clamoring for more and better transportation options, and he definitely wants to see more ferry service. Director DelBono said safety and accessibility were crucial

considerations and that since WETA's small vessel study was already underway it should include review and consideration of Tideline's request.

Director DelBono said that the prevailing wages issue for vessel crews was absolutely required from his perspective for anyone providing ferry service that could be connected to WETA in any way, and that if this kind of request were to be granted to Tideline, or any entity, that all safety and accessibility standards should be equal to WETA standards and all liabilities for WETA and Blue & Gold Fleet should be mitigated with ample insurance coverage levels. He said landing fee levels would also need to be established and applied to help assure that facility maintenance cost portions were identified and appropriately charged. Director DelBono emphasized that at this time, his preference for any kind of small vessel service in the Bay Area is that it would be provided by WETA, the established public agency mandated to provide public transit ferry service in the region, and he added that he is looking forward to seeing the findings and outcome of the small vessel study as soon as a report is available.

Director DelBono said that prior to the passing of RM3, this sort of agreement might have been the best way to increase ferry service in the Bay Area, and if that had been the case, such a decision would have needed to go through a public Request for Proposals (RFP) process to assure transparency and fairness. He reiterated that, especially since RM3 will bring WETA increased service funding, WETA should operate a small vessel service if that is the determination of the committee and something the Board wants to move forward. He added that it was his belief that a smaller vessel public service was overdue, and he emphasized that he does not want this issue to be put off for a year or two because Bay Area residents need better transportation options right now. He said he would like to see a survey to determine the number of people working in Alameda and in South San Francisco who would utilize a ferry service to commute back and forth.

Director DelBono asked if WETA could require local hiring as a stipulation for providing service to WETA as a contractor through a public RFP process. Ms. Chun said she would have to confirm, but that because of Federal and state laws may preclude a mandatory local hire component.

Vice Chair Wunderman said staff did a good job putting this Item together and providing clarity and details on the open issues. He explained that his bias has always been one of maximizing the opportunities for water transportation in the Bay Area and he said this is WETA's role as an agency. He said Tideline is the kind of business we want to see springing up in the Bay Area because it helps in the mission of getting people out of their cars. Vice Chair Wunderman said Tideline has a potential client who wants to use the water to transport their employees and this only augments what WETA is already doing. He emphasized that WETA should keep an open mind to develop more ferry service options for the public that WETA doesn't provide.

Vice Chair Wunderman said that the 8 concerns raised by staff were serious issues. He said that he initially called for a small vessel study, and it was not his intention to stop small private operators from being used for service. Vice Chair Wunderman said assuring safety and accessibility, including full Coast Guard approval, was necessary to support an agreement such as this one. Once the small vessel study findings are shared, the Vice Chair added, the Board may determine that a public and transparent RFP process is the best decision for something like this.

Director Josefowitz said that if WETA has facilities that are not in constant use and there is availability for and interest by another ferry service provider to land at a WETA terminal, and they are willing to pay for that right, then the Board should figure out a way to make that happen. He added that such a provider needs to meet the same standards as WETA's with regard to safety and accessibility. He said WETA should not be subsidizing such a service, and crews on those vessels should be paid a prevailing wage. Director Josefowitz said that if WETA subsequently was able to provide the same service, the arrangement should then be dissolved.

Director Josefowitz said that if this agreement with Tideline could be worked out, the resulting policies could apply to many other companies who could use the WETA facilities and that this could result in revenue for WETA.

PUBLIC COMMENT:

1. California Maritime Academy graduate, Inlandboatmen's Union member, Crowley Marine employee, and lifetime maritime professional Keith Madding said that landing a small ferry that was not designed to land under the challenging conditions at the Harbor Bay Ferry Terminal, and would present a danger to the public. He said that he has been operating boats in the area for 30 years and he is very familiar with that terminal. Mr. Madding explained that because of the weather and tide conditions there, a small vessel could unpredictably and literally end up on the float or even up on land when it tries to dock, and it's just not safe. Mr. Madding said that the taxpayer is the true owner of the Harbor Bay Ferry Terminal and it was built for and by the public to support non-profit service for the public. He added that for a commercial start-up company to expect a public agency to allow them to profit from this public service facility is unfair to those taxpayers.

Mr. Madding noted that the regular WETA service would definitely be disrupted by Tideline vessels on windy days. He said WETA vessels would regularly be forced to stand by to land until the smaller vessel wrangled all of the problems it would inevitably encounter due to the location's persistently dangerous weather conditions.

2. Theodore White, a Blue & Gold Fleet deckhand and Inlandboatmen's Union member, thanked Directors for the opportunity to weigh in on Tideline's unique request. He said he has worked on the vessels that land at the Harbor Bay Terminal and the process is tricky and dangerous. He said Blue & Gold Fleet captains and crews take great pride in their abilities to get passengers on and off board at that terminal, which has the most exposed floats of all terminals currently used throughout the WETA system. Mr. White said he and many of his colleagues were especially concerned to see that Tideline was proposing using removable stairs to load and offload passengers because the Harbor Bay float never stops bouncing up and down, even on a calm day. He said this proposal was very dangerous and it was his hope that the Board will take a very close look at the conditions those stairs would create for passengers.

3. Blue & Gold Fleet deckhand and Inlandboatmen's Union member Jerry Norton said he agreed with everything that Mr. Madding had expressed about his concerns with this proposal because he knows what he is talking about. He added that the Harbor Bay Terminal was in a dangerously rough and windy location and it would be safer for people if WETA had vessels that could go into that area, perhaps that were smaller if that's what the public wants.

4. Inlandboatmen's Union member J. B. Davis said WETA assures that their crews and vessel engineers are all paid living wages and that these employees have chosen the maritime industry for their lifetime careers. He said they all take a great deal of pride in their work and are committed to building and improving their maritime skills to assure the safety of passengers, and support their work on WETA's behalf. Mr. Davis said all of these employees have passed extensive background checks, and all have Transportation Worker Identification Credential (TWIC) cards. He add that any agreement WETA makes with other entities that allow them to use their terminals for landing should definitely require that the people crewing those vessels have passed the same background checks and that all possess TWIC cards. Mr. Davis said all Blue & Gold Fleet employees are also regularly and randomly tested for drug and alcohol use, and he emphasized that any policies adopted by the Board on this matter should include the same testing because it was a crucial step in assuring their primary concern of passenger safety. He said that Mr. Madding's comment about normal WETA service being inevitably delayed when its vessels have to wait to land was accurate, and should also be a factor in this discussion with regard to timing and schedules.

Mr. Davis concluded his comments by noting that WETA already provides service to South San Francisco with its own vessels that return to Alameda. He said it makes a lot more sense for WETA's operations team to get together with the Blue & Gold Fleet team and figure out how to fill those vessels on their return trips to Alameda in the morning and evenings, thus eliminating the need for another entity to provide this service that they feel WETA is not providing. He said WETA already has the assets and crews needed for this service.

5. Inlandboatmen's Union member Sean Smith said he agreed with all of the safety concerns already expressed by his colleagues. He said that from personal experience, he has learned to be very critical of any commercial company that asks a public entity to take on the bulk of the responsibility and liability for them. He said he hopes Directors will be very cautious as they consider Tideline's or any other commercial company's request to do so.

6. Exelixis Executive Vice President of Business Operations Dana Aftab said that Exelixis was in South San Francisco for about 20 years and moved to Alameda about 2 years ago because they had a good opportunity to expand there. He said many of the company's employees still reside in and around South San Francisco and they need a better way to get to the new location than what is currently available. Mr. Aftab said the company formed a committee to explore transportation options for these employees and a ferry option was determined to be an excellent option. He said they approached WETA about offering this service and had been told it was not possible at the time. Mr. Aftab said they then spoke to two different private ferry operators and Tideline was the only one who offered to help them. He emphasized that all they need is just for a ferry to do two runs from west to east in the morning, and then east to west after their work day. Mr. Aftab said their plan is for their employees to park away from the terminal at Oyster Point and then take a company shuttle to the terminal in the morning and then a shuttle from the Harbor Bay Terminal to their office in Harbor Bay Business Park. He said he would like WETA to allow this private service and added that his employees are super excited about being able to commute on the bay. Mr. Aftab said he would like this service to start as soon as possible, and promised that the company will share its rider data with WETA. He said they did a transportation survey in February and they expect that about 60 people were potentially interested in utilizing this service if they can make it happen. He said there may be as many as 80 people interested.

7. City of Alameda Development Manager Eric Fonstein said that the City has been working with Exelixis on their move to Harbor Bay Business Park, a major employment center in Alameda with over 1,500 employees, 300 of which work for Exelixis. He said the company has made a substantial commitment to the Business Park. Mr. Fonstein said that this service would reduce traffic and he noted that service and safety issues were very important and the City of Alameda will be looking to WETA to identify requirements in this area as that is their area of expertise and not the City's.

8. President of Tideline Marine Group Nathan Nayman said Tideline has been working with WETA since March on this matter trying to address all concerns and answer all questions. He said the service plan Tideline hopes to provide is not a public service but a private one that falls under one of Tideline's two permits issued by the California Public Utilities Commission. He said the permit that pertains to the service being discussed allows for Tideline to operate private, on-demand service. He noted that with this type of service, walk on service is not permitted. Mr. Nayman emphasized that passenger safety is also Tideline's number one priority and Tideline will never jeopardize its passengers' safety. He said that Tideline does not operate its vessels when weather is rough, and notifies its passengers in advance that there will be no service under such conditions. He said they are able to do this because they constantly monitor the weather conditions and bay tides.

Mr. Nayman said Tideline knows its passenger count before sailing and is in full compliance with Coast Guard requirements for the kind of service they plan to offer. He noted that this was different than the

standards imposed on WETA's service because WETA doesn't know their expected passenger count prior to boarding. Mr. Nayman said if WETA has standards imposed on it by the Coast Guard for the exact same kind of service being proposed in this request, that those standards should be shared with Tideline and they will comply with them exactly also. He said the Coast Guard does full background checks on Tideline captains and crews and they have approved the proposed service route and the Tideline boarding platform. He said he would be happy to provide WETA with the Certificate of Inspection (COI) received from the Coast Guard once Tideline has received a contract granting the landing rights for this service.

Mr. Nayman said the Port of San Francisco has accepted Tideline's on-demand service and that an updated Coast Guard COI was expected in the next few days. He said Tideline accepts all contract terms in the draft contract provided by WETA and said he does not see any value in waiting for this service to move forward. He emphasized that what Tideline is proposing is a private service, not a public service, and added that Tideline already pays its captains and crews prevailing wages and is moving forward to secure captains and crews to support this service. Mr. Nayman added that he will make sure in working with Tideline's client that there will not be any conflict with WETA's vessels, and he said he can assure 100% that there will be absolutely no disruption to WETA's regularly scheduled service at the Harbor Bay Terminal if WETA will approve this agreement.

9. Client Manager and Business Developer Alex Kryska of Prop SF thanked Tideline and Exelixis for bringing their request to WETA. He said he thinks it is a great idea and exactly the direction he wants to see WETA moving in the future. Mr. Kryska said that anyone proposing this kind of service definitely must have the same standards as WETA, including employing union employees, because whatever bar is set now is what will be in place for the companies that will inevitably follow Tideline in wanting to utilize WETA's facilities for their private services. He said he really appreciated that Tideline would be the first company to set this high standard.

Director DelBono asked about the initial conversation about Exelixis's needs that had taken place some time ago with WETA. Planning Manager Kevin Connolly said he remembered the conversation and at the time, the WETA schedules were set up to interline crews and maximize fleet resources which resulted in vessels going to South San Francisco and returning to the Alameda Main Street and San Francisco terminals, not the Harbor Bay terminal. He added that those decisions could be revisited and other possibilities considered, especially since WETA will now have more resources than it has had available historically. He said that right now, about 90 people are already utilizing WETA service to commute from San Francisco to the Harbor Bay Terminal for their jobs at The North Face in Alameda. He noted that there is currently space for a maximum of 62 vehicles to park at the South San Francisco Ferry Terminal and Ms. Rannells explained that during WETA's negotiations and permitting for the construction of the South San Francisco Ferry Terminal, the City had dictated that it was to be predominantly a destination terminal.

Director Intintoli said that if and when the Board decides it wants to do something like this, due diligence in examining the many issues that staff has identified as areas of concern will benefit not only Tideline, but other private ferry operators who might be interested. He said it was important to make this a competitive process in a public and transparent RFP process, and said that the Board should not just hand something like this over to the first company that asks for it. Director Intintoli said policies do not exist for what is being discussed and determining such policies needs to be the next step in this process.

Vice Chair Wunderman suggested that allowing Tideline to land for the trial period could inform the small vessel committee's study. He said Tideline has agreed to share their data that they collect from operating the service with WETA. He added that Alameda was growing and is an important partner to WETA. Vice Chair Wunderman said that Mr. Nayman has just said that that Tideline will comply with

everything WETA is requesting. He said legal counsel could review the plan and if everyone was in agreement, that the service should be able to move forward. Vice Chair Wunderman said that Director DelBono's idea of finding out how many people are interested in this kind of service is a great idea so that the potential interest is better understood. He said that with regard to prevailing wages, a clause for labor harmony had been included in employer shuttles agreements with their drivers and that process had worked beautifully and could be considered for this service also. He thanked Prop SF for being at the meeting and supporting their competitor Tideline. Vice Chair Wunderman said another consideration in this process of course, is whether private operators would be competing with WETA service. He said he would be in favor of supporting private service operators as long as they meet the high bar of WETA service and safety standards.

Director DelBono said that no private, commercial company is required to share its data and that if any agreements are ever made with private companies who promise to share their data that the requirement needs to be part of their formal agreement to assure it will happen.

Chair Breckenridge said that regardless of everything else that has arisen from this Item's discussion, clarity on the Harbor Bay Terminal landing use rights was paramount, as was considering all of the issues laid out in the staff report on the Tideline proposal. She motioned for a vote to have staff take the delineated policy issues detailed in the Item, plus the information shared by Directors and speakers during the discussion, and work to develop policies for the use of WETA facilities by entities other than WETA, that the Board can review and consider for adoption.

Vice Chair Wunderman asked what that would mean for Tideline and their client who are already invested in this plan, and need to provide transportation for their employees now. He said he would like to propose that staff and the Board's legal counsel continue to work on these specific issues of concern with Tideline with an objective of moving this service forward as soon as possible. He added that if the issues at hand can be resolved and the service could get going, the Board would be more informed for its future policy on the matter. He also emphasized that he is not comfortable moving something forward that has not been recommended by staff and he hopes that the Tideline request can be used as a model to move forward on these questions.

Ms. Chun summarized the Board discussion as direction to staff to develop policies for use of WETA facilities by private operators, noting that while a number of open issues remain, the Board has provided input to guide how to work all of this information into policy. Standards will be set in policies to be adopted by the Board to clarify how best to move forward - or not move forward - on this specific request from Tideline. At this time, WETA will not be able to allow Tideline's request to operate this service immediately, but their request will be used to inform the development and adoption of these policies. She noted that staff had a very full plate at the moment and that this work will be added to that.

Director Intintoli said he wanted to reiterate that accessibility and matching WETA's roll-on, roll-off policy for people with mobility challenges was of the utmost importance in his mind. He said any service offered needs to be the same for everyone and not discriminate in any way.

Director DelBono reminded Directors that approval to operate a private ferry service similar to the one that Tideline is proposing had been requested of WETA in the past by Google. He said these requests will not go away and the Board needs to develop these policies. Director DelBono said everyone in the room should be clear about a timeline for the process and this was echoed by Director Josefowitz and agreed as important by all Directors.

Director Josefowitz said the Board should not be overly prescriptive in its objective of assuring accessibility and that there are various ways that accessibility is provided and assured across different kinds of Bay Area transportation services.

The Board directed staff to research the landing rights at the Harbor Bay Ferry Terminal as related to the City of Alameda and the Harbor Bay Isle Associates as its next step in this process, and to provide the Board a timeline for when they can expect to receive policy guidelines to review.

Because Director Wunderman had a competing time commitment for the afternoon, it was agreed that the meeting agenda would be reordered to move Item 10 ahead of Items 8 and 9.

8. DISCUSSION REGARDING THE OUTCOME OF THE JUNE 5 PRIMARY ELECTION VOTE ON THE REGIONAL MEASURE 3 BALLOT MEASURE

Ms. Rannells presented this item (originally agendized as Item 10) to discuss the outcome of the vote on RM3 in the June 5 statewide election. She read a letter from Bobby Winston, owner of *Bay Crossings* that congratulated WETA on the successful passing of the measure and praised Vice Chair Wunderman, Director Josefowitz and others for their hard work and commitment to educate the public and promote the benefits of passing the measure. Mr. Winston said that the passing of RM3 will make the San Francisco Bay Area a better place to live, work and play.

Vice Chair Wunderman praised BAC Chief Operating Officer John Grubb and BAC Policy Director Emily Loper for the persistence and tenacity in their efforts to get the word out about the measure's potential benefits. He said there had been no guarantee that the measure would pass and some of the polling that had been done indicated that the measure might not pass right up until the election. The Vice Chair said the press conference about the measure that had been attended by local mayors and the corporate and individual contributions that had poured in to support it had both made a substantial impact at the polls. He added that the public trusted the endorsement of a local transit engineer more than anyone else who had spoken publicly about the measure. Vice Chair Wunderman emphasized that all of the other transportation agencies in the Bay Area have funding options other than RM3 to fall back on but WETA only really has RM3 to fund its future service. He said he is looking forward to working on all of the water transportation opportunities the public has committed to support by passing this measure as Directors move forward with exciting plans for WETA's future, and the future of transportation options in the Bay Area.

Ms. Rannells said that one of the requirements of future RM3 funding is that WETA will need to create and adopt a plan that examines system-wide and route specific measures. She explained that MTC will be looking for a five year capital plan, specifically. She said that this plan will be the priority for WETA staff which is also presently focused on three large capital projects and multiple vessel construction projects, while also working to launch a brand new service route in a few months out in Richmond. She said staff will work closely with MTC in the coming months to develop the necessary information to secure RM3 funds for WETA's projects.

Director Josefowitz said that MTC and the Association of Bay Area Governments has resources available to assist agencies with their planning needs. He said this might be a good resource if staff needs additional support with the process. Director DelBono said he recognizes that the WETA staff is very small and he wants to assure the staff has resources needed to move forward with the additional work that will be immediately added to their plate.

Vice Chair Wunderman left the meeting at 3:49 p.m.

Director Josefowitz said that as WETA grows with the additional funding and work in its near future, it will be important for it to not only provide point to point ferry service, but to look at the bigger picture of planning in concert with communities working to build and improve their cities and services with efforts like building more housing and increasing educational or office space. He said now that WETA will have the resources it requires, the agency can grow and shape itself to play a larger, more regional role in the

Bay Area. He added that he is really excited about the new opportunities for the region with the passing of this measure.

Director DelBono said he hopes WETA will continue to provide the highest customer service for its riders as it grows. He also noted that emergency response will also be an important focus now that WETA will have the additional funding. He extended thanks for the work on RM3 to Ms. Loper.

Chair Breckenridge said she was very happy that WETA will now have the basic support RM3 will provide the agency such as financial reserves for vessel or facility emergencies. She added that the measure's funding will provide WETA with more control over its own destiny.

9. AWARD OF A SOLE SOURCE CONTRACT WITH PACIFIC POWER GROUP FOR MAIN ENGINES COMPONENT PURCHASE FOR THE MV SOLANO

Operations Manager Keith Stahnke presented this item for the award of a sole source contract with Pacific Power Group for main engines component purchase for the MV *Solano*.

Director Josefowitz made a motion to approve the item.

Director Intintoli seconded the motion and the item carried unanimously.

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

10. AWARD CONTRACT TO CITY ID FOR SIGNAGE AND WAYFINDING DESIGN

Senior Planner Mike Gougherty presented this item to award a contract to City ID for signage and wayfinding design. Director Josefowitz said he would like to see more clarity for passengers queuing to board WETA ferries. He said he would like the queuing areas better defined and prominent especially for people who are not regular ferry riders. Mr. Gougherty said that objective was consistent with the project's scope.

Director DelBono made a motion to approve the item.

Director Josefowitz seconded the motion and the item carried unanimously.

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

Program Manager/Analyst Lauren Gularte showed a short video of an emergency response exercise that WETA participated in with the Oakland Airport and other regional agencies to exercise the airport's water rescue of passengers floating in the bay moved to safety aboard a WETA vessel.

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

Ms. Chun noted that a year ago the WETA Board made the decision to work with Hanson Bridgett LLP. She said it has been a fun and intense year, and Ms. Rannells said that the decision had been an excellent one for WETA.

All business having been concluded, the meeting was adjourned at 4:04 p.m.

- Board Secretary

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Operations & Maintenance Manager

SUBJECT: Approve Actions Related to Award of Contracts to Support Terminal Dredging

Recommendation

Approve the following actions related to award of contract for the Terminal Dredging – Vallejo and South San Francisco project:

1. Reject all bids for the Vallejo Terminal Dredging component of the project;
2. Authorize release of a new Invitation for Bids (IFB) for Vallejo Terminal Dredging;
3. Approve contract award to the Dutra Group for the South San Francisco Terminal portion of the project in an amount not to exceed \$2,400,000, which includes a 10% owner's contingency;
4. Approve Amendment No. 1 to Agreement #17-028 with FOTH Infrastructure & Environmental, LLC (FOTH IE) for technical and construction management services to increase the contract amount by \$40,000 to support additional required work; and
5. Authorize the Executive Director to negotiate and enter into these agreements and take any other related actions as may be necessary to support this project.

Background

The Vallejo terminal ferry basin requires maintenance dredging every three to four years to support ongoing service operation. A full dredge of the Vallejo terminal area is due in 2018. The South San Francisco terminal area was originally dredged in 2009 as part of the terminal construction. Hydrographic surveys resulted in a recommendation to conduct maintenance dredging of the South San Francisco terminal in 2018. These projects have been combined to make up the *Terminal Dredging – Vallejo and SSF Terminals* project included in the FY 2018/19 Capital Budget.

The WETA Board awarded a contract to FOTH Infrastructure & Environmental (FOTH IE), formerly CLE Engineering, at the January 11, 2018 meeting, through a Request For Qualifications (RFQ) process, to provide assistance with permitting, material sampling and dredging surveys in preparation for the Terminal Dredging project and to monitor the work and performance of the marine construction firm ultimately selected to complete this project.

On April 5, 2018, the Board of Directors authorized soliciting bids for the *Terminal Dredging – Vallejo and SSF Terminals* project. The scope of work for the project includes the following work to support the individual terminals:

Vallejo

- Removing the passenger float and gangway for access to the dredging site
- Installation of a temporary passenger float, pilings and gangway
- Dredging the ferry terminal basin
- Dry-dock of the passenger float to complete required rehabilitation work

South San Francisco

- Dredging the ferry terminal basin and approach inside the breakwater
- Installation of two cluster dolphin fender pilings at the breakwater entrance

Discussion

On June 18, 2018, WETA released an Invitation for Bids (IFB) for the work associated with the dredging at the ferry terminals. A pre-bid conference was held on July 10, 2018, and was attended by 5 marine construction firms. A total of two addendums were issued providing additional information, clarification and answers to questions from bidders.

To achieve the lowest price for this work, the IFB approach allows for contract(s) to be awarded to the responsible bidder that submits the lowest responsive bid for each ferry terminal on separate bid forms. Each ferry terminal project bid is evaluated separately and bidders were not required to bid on both terminals.

A public bid opening was held July 24 at 2:00 p.m. in response to the IFB. The following discussion summarizes the results of the bid openings and staff's recommendations for moving forward to secure contracts for the Vallejo and South San Francisco dredging projects and related support work

1. Vallejo Ferry Terminal

FIRM	PRICE PROPOSAL
The Dutra Group	\$3,557,000
R. E. Staite Engineering Inc.	\$3,372,645

A total of two bids were received in accordance with the IFB process utilized for this project as depicted above. For the bids submitted, the price breakdown for dredging line items were close to the engineer's estimate but costs for the passenger float and gangway rehabilitation were much higher than the independent cost estimate. As a result, staff recommends rejecting all bids and releasing a new IFB procurement for the Vallejo Terminal Dredging project with modified and clarified float specifications. The IFB would be released in early August with the expectation that staff would return to the Board in September for contract award in order to allow enough time to complete the work before the November work window closes.

2. South San Francisco Ferry Terminal

FIRM	PRICE PROPOSAL
The Dutra Group	\$2,175,000
R. E. Staite Engineering Inc.	\$2,592,350

A total of two bids were received in accordance with the IFB process utilized for this project, as depicted above, with The Dutra Group (Dutra) providing the lowest bid price. Staff has reviewed the bid documents submitted by Dutra and has determined them to be responsive.

Additionally, staff has verified references and determined them to be responsible and acceptable for performing this work. Staff has determined the bid from Dutra to be the lowest responsive and responsible bidder for the South San Francisco Ferry Terminal project and recommends that the Board of Directors authorize award of a contract for this work in the amount of \$2,400,000, which includes a 10% owner's contingency for appropriation in the event that unanticipated work is necessary to complete this project.

WETA's overall annual Disadvantaged Business Enterprise (DBE) goal and Small Business Enterprise (SBE) goal for Federal Fiscal Year 2017/18 is 1.78% and 5.04% respectively for FTA-assisted contracts. Staff has reviewed the DBE/SBE materials provided for the South San Francisco Ferry Terminal project by Dutra and has determined that 0% DBE participation and 0.7% SBE participation is anticipated during the performance of this contract.

3. Contract Amendment With FOTH IE

Staff recommends that the Board approve a contract amendment with FOTH IE increasing the contract amount by \$40,000. The WETA Board awarded a contract to FOTH IE in the amount of \$230,000 at the January 11, 2018 meeting to provide assistance with permitting, material sampling and dredging surveys in preparation for the Terminal Dredging project and for construction management services to monitor the work and performance of the marine construction firm(s) selected for this project.

The scope of work required by regulatory agencies for permitting and material sampling at the South San Francisco Ferry Terminal has been much larger than originally anticipated when the budget was set for this contract. The increased work scope associated with the FOTH IE's amendment includes the following for the South San Francisco Ferry Terminal:

- Two additional composite samples for Chemistry and Tier III Testing
- Alternative disposal site analysis
- Fender piles design and permitting

Fiscal Impact

The *Terminal Dredging – Vallejo and SSF Terminals* project is included in the FY 2018/19 Capital Budget with a total project budget of \$3,750,000, funded with Federal Transit Administration grant funds, AB664 Bridge Toll Revenues and RM 1 – 2% capital funds. Sufficient funds are included in the project budget to support the contract award to Dutra for the South San Francisco component of the project and the contract amendment with FOTH IE.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2018-23

APPROVE ACTIONS RELATED TO AWARD OF CONTRACTS TO SUPPORT THE TERMINAL DREDGING PROJECT

WHEREAS, WETA issued an Invitation for Bids (IFB) for Dredging and Marine Construction work for the WETA Ferry Terminal Projects on June 18, 2018; and

WHEREAS, WETA has established procedures in its Administrative Code relating to the selection and contracting of Construction Services; and

WHEREAS, WETA followed the procedures in its Administrative Code regarding solicitation and evaluation of qualifications; and

WHEREAS, WETA staff has recommended rejecting all Bids for the Vallejo Ferry Terminal dredging project and authorizing the release of a new IFB; and

WHEREAS, WETA staff has recommended the award of a contract for dredging services to The Dutra Group for the South San Francisco Ferry Terminal project; and

WHEREAS, in January 2018 WETA entered into Agreement No. 17-028 with FOTH Infrastructure & Environmental, LLC (FOTH IE) for technical and construction management services for the Ferry Terminal projects for an amount not-to-exceed \$230,000; and

WHEREAS, WETA has identified additional services required by FOTH IE to meet dredging compliance requirements; and

WHEREAS, WETA has followed established provisions and procedures in its Administrative Code relating to the authorization of contract amendments to existing agreements; and

WHEREAS, WETA staff has recommended approval of Amendment No. 1 to Agreement No. 17-028 with FOTH IE to increase the contract by \$40,000, for a total not-to-exceed contract amount of \$270,000 for the Ferry Terminal Projects; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves rejecting all Bids for the Vallejo Ferry Terminal dredging project and authorize the release of a new IFB; and be it further

RESOLVED, that the Board of Directors hereby approves entering into an agreement with The Dutra Group, LLP for dredging services at the South San Francisco Ferry Terminal for an amount not to exceed \$2,400,000, which includes a 10% owner's contingency; and be it further

RESOLVED, that the Board of Directors hereby approves Amendment No. 1 to Agreement No. 17-028 with FOTH Infrastructure & Environmental, LLC increasing the contract by \$40,000, to a total contract amount of \$270,000; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute the authorized agreements and take any other related actions to support this work.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on August 2, 2018.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2018-23

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Taylor Rutsch, Transportation Planner

SUBJECT: Award Contract to Hoptaru, Inc. for a Mobile Ticketing Platform

Recommendation

Approve the following related actions for the award of a contract for developing, hosting and maintaining a Mobile Ticketing Platform:

1. Approve a contract award to Hoptaru, Inc. for a term of 38 months; and
2. Authorize the Executive Director to negotiate and enter into a contract for this work and take any other related actions as may be necessary to support this work.

Background

For over a decade, transit agencies have been globally transitioning to electronic fare payment systems. These systems benefit riders by making it easier to pay fares and transfer between different operators, and create opportunities for agencies to expedite the boarding process, reduce overhead expenses associated with cash-handling, and discourage fraud. In the Bay Area, over 800,000 daily riders use Clipper, a reloadable contactless smart card accepted as electronic fare payment by 22 transit agencies. Over 70% of WETA fares are paid using Clipper, including over 95% of fares on the Harbor Bay and South San Francisco commute-only services.

Of the WETA riders that do not use Clipper, approximately 10% use the Vallejo monthly pass, which is not supported by Clipper. Of the remaining non-Clipper users, many are visitors and families that take the Alameda/Oakland or Vallejo ferry services for non-commute trips. Visitors often do not have Clipper cards and families are unable to use a single Clipper card to purchase multiple tickets. During particularly high-demand non-commute trips on summer weekends or special events, long waits can occur for non-Clipper users to purchase tickets, resulting in stressful passenger experiences and in some instances service delays.

On May 10, 2018 the Board of Directors authorized release of a Request for Proposals (RFP) for a Mobile Ticketing Platform. The RFP was issued to prospective proposers on May 17, 2018. The RFP set forth a “best value” procurement process, whereby the selection of a Mobile Ticketing Platform was based on quality of the product, qualification of the proposing team, and pricing information submitted for the project.

Discussion

On June 18, 2018 WETA received proposals from seven teams in response to the RFP. Three of the seven proposers were determined by the Proposal Evaluation Committee to be within the competitive range. Each proposer submitted a Technical Proposal that provided information on the firm’s qualifications and the quality of their product. Each proposer also submitted a Price Proposal including estimated annual fees for developing, hosting, and maintaining the mobile ticketing platform.

The Committee evaluated each proposal and conducted interviews with each firm in the competitive range to further assess their qualifications and seek clarifications on their Technical and Price Proposals. The scores for each proposer are presented below:

Proposer	Technical Proposal Score (A)	Flat Per Transaction Fee	Estimated Annual Fee	Price Proposal Score (B)	Total Score (A+B)
Hopthru, Inc.	4.8	7%	\$45,500	5	9.8
Masabi, Inc.	4.4	8%	\$52,000	4.8	9.2
Token Transit	4.2	8%	\$52,000	4.8	9.0

The flat per transaction fee is a percentage of all revenues from tickets sold through the mobile ticketing platform and includes each firm’s overhead costs, profit, and merchant payment and processing fees. None of the three proposals require any upfront development or recurring maintenance/hosting fees. The estimated annual fee is based on WETA’s projection that the platform will process \$650,000 of revenue per year. The actual annual fee may be higher or lower depending on the number of transactions processed through the Mobile Ticketing Platform.

Based on the scores above, Hopthru, Inc. was identified as the “best value” proposer. Hopthru’s simplicity and ease of use stood out among the proposals. Their straightforward visual validation will offer a seamless boarding experience for both passengers and crew. Hopthru leverages its partnerships with several transit agencies to add new features and continuously improve the platform, benefitting all of their customers. Hopthru also has a clear customer service hierarchy where they will be the front line of any customer requests and enact any business rules set forth by WETA.

Staff recommends that the Board approve a contract award to Hopthru, Inc. for the Mobile Ticketing Platform, which includes development, hosting, and maintenance of the Mobile Ticketing Platform for a term of 38 months. Pending Board approval of a contract award, staff will negotiate and execute a contract with Hopthru, Inc. and issue a Notice to Proceed.

Fiscal Impact

Funds are included in the FY 2018/19 Operating Budget to cover the cost of fare collection including services that would be covered as a part of this contract award.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2018-24

APPROVE CONTRACT AWARD TO HOPTHRU, INC. FOR A MOBILE TICKETING PLATFORM

WHEREAS, the San Francisco Bay Area Water Emergency Transportation Authority (WETA) authorized release of a Request for Proposals (RFP) for a Mobile Ticketing Platform at its May 10, 2018 meeting; and

WHEREAS, WETA issued a RFP for a Mobile Ticketing Platform on May 17, 2018; and

WHEREAS, WETA has established procedures in its Administrative Code relating to the solicitation and evaluation of proposals; and

WHEREAS, WETA followed the procedures specified in its Administrative Code regarding the solicitation and evaluation of proposals; and

WHEREAS, staff has concluded its evaluation of proposals and recommends award of a contract to Hopthru, Inc. for a Mobile Ticketing Platform; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves a contract award for a Mobile Ticketing Platform to Hopthru, Inc. for a term of 38 months and authorizes the Executive Director to negotiate and enter into a contract for this work and take any other such related actions as may be necessary to support this work.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on August 2, 2018.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2018-24

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Chad Mason, Senior Planner/Project Manager

SUBJECT: Richmond Ferry Terminal Project and Service Update

Recommendation

There is no action requested of the Board with this informational item.

Background/Discussion

The Richmond Ferry Terminal project will establish a new ferry route between the downtown San Francisco Ferry Terminal and a new ferry terminal on the Ford Peninsula in the City of Richmond. The float and gangway will be in the same location as a previous ferry facility and there are additional improvements to the landside such as the terminal area and expansion of an existing parking lot. The WETA Board adopted a Funding Agreement and Memorandum of Understanding with the Contra Costa Transportation Authority at its March 2015 meeting that provides sufficient operating funds to support ferry service for a minimum period of 10 years.

Construction of the project began in the fall of 2017, following years of planning, design and permitting activity. Since construction began, the contractor has completed dredging and waterside pile installation. Improvements to the parking lot, public access infrastructure and nearby trails are currently underway. The contractor is also working on installation of utility systems. The concrete pier portion of the passenger shelter was installed and the contractor is preparing to erect the steel framing for the shelter. The concrete passenger float is under construction off-site in Antioch and will be floated to the terminal site for installation. Construction of the terminal is anticipated to be complete in late Fall and the service is expected to start in November. Staff will provide a status report on this work at the August Board meeting.

In 2015, WETA and the Contra Costa Transportation Authority (CCTA) executed a Cooperative Agreement that formally established Measure J as the operating fund source for Richmond ferry service for a minimum of ten years. Given the limited funds available, these services were assumed to be limited to weekday commute services only. The Agreement defined the roles and responsibilities of the two parties. One of WETA's obligations is to work cooperatively with the West Contra Costa Transportation Advisory Committee (WCCTAC) and CCTA to establish services levels, fares, and a marketing plan for the new service.

The proposed Richmond Ferry Service fares were developed earlier this year in consultation with the funding stakeholders. A separate item is included on the August WETA Board meeting agenda to open a public comment period for the proposed fares.

Staff has developed a draft Richmond Ferry Service schedule that, through strategic interlining of vessels and crews, provides four weekday morning commute-period departures from Richmond to San Francisco and two morning departures from San Francisco to Richmond. The service will provide four weekday afternoon commute-period departures from San Francisco to Richmond and three afternoon departures from Richmond to San Francisco.

The Richmond Ferry Marketing Plan (Marketing Plan) was completed earlier this year in coordination with stakeholders including representatives from the City of Richmond, WCCTAC, CCTA, Rosie the Riveter Trust, and the National Parks Service. The Marketing Plan provides a description of the terminal, service profile (ferry schedule, ticketing/fares, transit connections), and recommendations and timelines for public relations, community outreach/sponsorships, and paid advertising efforts.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Chad Mason, Senior Planner/Project Manager

SUBJECT: Approve Amendment to Agreement with Ghirardelli Associates to
Provide Additional Construction Management Services for the
Richmond Ferry Terminal Project

Recommendation

Approve Amendment No. 2 to Agreement #16-020 with Ghirardelli Associates for construction management services for the *Richmond Ferry Terminal Project* to increase the contract amount by \$400,000 and extend the contract term, and authorize the Executive Director to execute the amendment.

Background

In September 2016, the Board authorized a contract award to Ghirardelli for \$900,000 to support project development and provide construction management services for the Project. The original contract included a contract end date of March 31, 2018. An administrative contract amendment was executed in March 2018 extending the contract end date to August 31, 2018.

As WETA's construction manager and "Owner's Representative", Ghirardelli is responsible for overseeing the contractor's performance and adherence to schedule and technical specifications. This work includes monitoring on-site work daily and inspecting and confirming the quality and amounts of materials used by the contractor. In addition, Ghirardelli ensures that project contractors diligently follow worker safety protocols, administers the collection of and responses to Requests for Information, conducts Certified Payroll review and undertakes a thorough review of the project contractor's invoices for payment.

Since contract execution, Ghirardelli has worked with WETA staff to respond to information requests and questions from various parties, assist with development of the final construction and utility easement documents, and prepare procurement documentation to select a construction contractor for the project. Due to longer than anticipated durations for completing various agreements related to the project and securing required permits, Ghirardelli has provided more services than budgeted for when their contract was first awarded during the pre-construction project development phase.

Presently, Ghirardelli is managing and overseeing work for the construction contract totaling just over \$16 million and anticipated to be largely completed in late Fall 2018. Fabrication and installation of the architectural element of the passenger shelter (louvers)

has proved to be complex and could delay the final completion date of the terminal construction activities, further extending the time needed for Ghirardelli's construction oversight services. Staff does not anticipate that this will delay the terminal opening.

Discussion

At the time of award to Ghirardelli, WETA anticipated that construction of the Richmond Ferry Terminal would be complete in Spring 2018. In May 2017, WETA awarded a construction contract to Manson Construction to build the Richmond Ferry Terminal. Pursuant to the schedule proposed by Manson, project construction is now anticipated to be substantially completed in late Fall 2018, with louver fabrication and installation possibly extending into early 2019. In order to support Ghirardelli's work throughout the longer than anticipated duration of the project, WETA will need to increase the contract amount and extend the contract term.

Staff recommends that the Board approve a contract amendment that would increase the contract amount by \$400,000 to a total not-to-exceed amount of \$1,300,000 and extend the contract term. The proposed total contract amount is approximately eight percent of the project construction cost, which is substantially below the industry standard of 10-15 percent and is in line with construction management costs on other WETA projects.

Fiscal Impact

The *Richmond Ferry Terminal Project* is included in the FY 2018/19 Capital Budget at a cost of \$20,000,000. Sufficient funds are available in the overall project budget to support this contract budget increase.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2018-25

**APPROVE AMENDMENT TO AGREEMENT WITH GHIRARDELLI ASSOCIATES, INC.
FOR CONSTRUCTION MANAGEMENT SERVICES
FOR THE RICHMOND FERRY TERMINAL PROJECT**

WHEREAS, in September 2016 WETA entered into Agreement No. 16-020 with Ghirardelli Associates, Inc. for construction management services for the Richmond Ferry Terminal project for an amount not-to-exceed \$900,000; and

WHEREAS, WETA has followed established provisions and procedures in its Administrative Code relating to the authorization of contract amendments to existing agreements; and

WHEREAS, in March 2018, WETA approved Amendment No. 1 to the Agreement to extend the term to August 31, 2018; and

WHEREAS, WETA staff has recommended approval of Amendment No. 2 to Agreement No. 16-020 with Ghirardelli Associates, Inc. to increase the contract by \$400,000, for a total not-to-exceed contract amount of \$1,300,000 and to extend the term of the agreement through final construction; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves Amendment No. 2 to Agreement No. 16-020 with Ghirardelli Associates, Inc. increasing the total contract amount by \$400,000 and extending the term of the agreement, and authorizes the Executive Director to execute the Amendment.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on August 2, 2018.

YEA:
NAY:
ABSTAIN:
ABSENT:

/s/ Board Secretary
2018-25
END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Chad Mason, Senior Planner/Project Manager

SUBJECT: Open Public Comment Period on a Proposed Fare Structure for the Richmond Ferry Service

Recommendation

Open a 30-day public comment period to receive input on the proposed fare structure for the Richmond Ferry Service.

Background

In 2015, WETA and the Contra Costa Transportation Authority (CCTA) executed a Cooperative Agreement (Agreement) that formally established Measure J as the funding source for Richmond ferry service operations, enabling WETA to move forward with terminal and vessel construction necessary to support development of this new service. The Agreement defined the roles and responsibilities of the two parties. One of WETA's obligations is to work cooperatively with the West Contra Costa Transportation Advisory Committee (WCCTAC) and CCTA to develop services levels, fares, and a marketing plan for the new service. WETA staff has closely coordinated with WCCTAC, CCTA and the City of Richmond to develop a first-year budget for the service and reach general consensus about these proposed service details. The WCCTAC Board and CCTA Board considered and supported the proposed service details on June 15, 2018, and June 20, 2018, respectively.

Discussion

As the lead agency initiating new public transit ferry service between the cities of Richmond and San Francisco, WETA is responsible for developing and formally adopting passenger fares for this service in compliance with its own policies and Federal Transit Administration requirements. This item identifies the process and timeline for WETA to receive and consider public comments on the proposed passenger fares for the new Richmond ferry service.

Based upon review and discussion with the WCCTAC and CCTA, WETA's funding partners for service operation, staff recommends setting the initial Richmond Ferry service fares as follows:

Proposed FY 2018/19 Richmond Ferry Service Fares

<u>Fare Type</u>	<u>Amount</u>
Adult	\$9.00
Adult (Clipper Only)	\$6.75
Youth (5-18)	\$4.50
Senior (65+), Disabled	\$4.50
School Groups	\$2.90
Children (under 5)	FREE

The proposed fares would be subject to a 3% increase on July 1, 2019, consistent with all other regularly-scheduled WETA services and WETA's Fiscal Year 2015-2020 Fare Program adopted by the WETA Board of Directors in 2015.

Next Steps

WETA will publish a notice of this fare structure on its website and distribute it to its partner agencies including the City of Richmond, WCCTAC and CCTA to post on their web sites. Notice will also be placed on WETA vessels and distributed to subscribers of WETA's Bay Alerts service. Finally, a notice will be posted at the construction site for local residents. During the public comment period the public can submit comments on the proposed fare structure through mail, email, phone call or through the WETA website. WETA will hold a public hearing at the scheduled September 6, 2018 Board meeting to receive additional comments on the proposed fare structure. At the September meeting, the WETA Board of Directors will be asked to take formal action to adopt a fare structure for the new Richmond services subject to any comments received at the public hearing and during the 30 day public comment period.

Fiscal Impact

There is no fiscal impact associated with this item.

END

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager**

SUBJECT: City of Alameda Funding Request for Seaplane Lagoon Project

Recommendation

There is no recommendation with this information item.

Background

In April 2015, the Board adopted a Memorandum of Understanding (MOU) with the City of Alameda for the planning and development of a new ferry terminal and service on the former Naval Air Station (Alameda Point) at Seaplane Lagoon to be built as an integral part of a large mixed-use development. The terms of the MOU were the result of an extensive collaborative planning process with the City of Alameda related to the terminal and with the cities of Alameda and Oakland to develop a new service structure concept for Main Street in light of the new, complementary peak-period services to be provided from Seaplane Lagoon.

Under the terms of the MOU, the Seaplane Lagoon terminal would be constructed by a private entity, Alameda Point Partners, in conjunction with the City of Alameda, which would also be responsible for environmental clearance and permitting. WETA would be the owner and operator of the waterside assets (float, gangway, pilings, and pier) once built, through transfer of ownership by the City of Alameda consistent with other terminals that WETA operates in Alameda, Vallejo and South San Francisco. The MOU identified a collaborative process for seeking funds to support the terminal construction, vessels and new service operation. The agreement specifically identified the City of Alameda as the lead for securing funds for terminal construction, including securing a developer contribution towards the terminal construction cost. WETA has focused its efforts on securing vessels and operating funds to support the new service.

For WETA, the additional capacity resulting from the Seaplane Lagoon Terminal is necessary to achieve the envisioned 15-minute peak service as included in the WETA Strategic Plan. The Main Street terminal is operationally limited due to its configuration as a one-sided float. Today, five vessels call on the facility during the peak hour in the morning and evening commute, a level of activity which often results in service delays. In addition, access to the Main Street Terminal has always been challenging given its isolated location, which drives many ferry riders to drive alone to the terminal due to a lack of bus service and below average bicycle and pedestrian infrastructure. The new Seaplane Lagoon Terminal will be closer to the residential areas of Alameda and improvements are expected in transit and the pedestrian and bicycle network.

The April 7, 2016 Board memorandum and MOU are provided as **Attachment 1** to this report for additional information and project context.

Discussion

Since the MOU was developed, staff has continued to work in partnership with City of Alameda staff as the Seaplane Lagoon Terminal has progressed through permitting and design phases. Now that the design has reached a higher level of detail and costs have been refined, the cost estimate has been revised upward to \$22 million, exceeding the available funding of \$18 million by \$4 million. WETA staff has continued to play an active role in the project design and permitting and concurs with the revised cost estimate of \$22 million. The additional cost is largely attributed to cost escalation and a more advanced understanding of construction costs in today's environment.

The Seaplane Lagoon Terminal project had an initial commitment of \$10 million from Alameda Point Partners, the developer of the first phase of redevelopment of Alameda Point, known as Site A. WETA staff was supportive and helped to secure \$8.2 million in funding from the Alameda County Transportation Commission in March 2017 to bring the total committed project funding to \$18.2 million. The City has recently dedicated \$2 million in general fund revenues to support half of the project shortfall. A letter from Acting City Manager Elizabeth Warmerdam to WETA's Executive Director dated June 7, 2018 requests \$2 million from WETA to close the funding gap for the project (provided as **Attachment 2**).

The City is seeking the commitment at this time to complete project funding and initiate the procurement process for a float, which will keep the project on schedule for a 2020 opening date. This timetable is consistent with WETA's service expansion plans for meeting projected ridership demand in 2020. Operation of enhanced service will require increased operating subsidy anticipated to be funded with Regional Measure 3.

Staff is seeking direction from the Board of Directors on the City of Alameda's request. While Regional Measure 3 funds are not available to meet the City's request at this time, if supportive of the concept, staff could work to identify other existing funding resources that could be used to support the request. With direction from the Board of Directors, staff would plan to bring this item back to the September 6, 2018 Board of Director's meeting for further discussion and potential action.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Michael Gougherty, Senior Planner

SUBJECT: Approve a Memorandum of Understanding with the City of Alameda for Future Seaplane Lagoon Ferry Service Project

Recommendation

Adopt the attached Memorandum of Understanding with the City of Alameda for a future Seaplane Lagoon Ferry Terminal Service Project.

Background

The WETA Board of Directors adopted a System Expansion Policy in June 2015 that requires a Project Agreement between expansion partners and the WETA Board prior to entering into significant project development activities associated with environmental clearance, design and construction. The Project Agreement – also referred to as a Memorandum of Understanding (MOU) – is intended to establish a service plan, define roles and responsibilities and identify funding strategies for project partners.

The City of Alameda has had a long-standing project concept that envisioned closing the Main Street terminal and constructing a new ferry terminal on the former Alameda Naval Air Station now renamed Alameda Point. The relocated terminal would serve as a catalyst for redevelopment of Alameda Point and allow industrial development on the existing Main Street terminal site. The 2011 Transition Agreement between the City of Alameda and WETA considered the possibility of a new ferry terminal at Alameda Point and committed both the City and WETA to exploring the possibility at a future date.

In the summer of 2014, staff from WETA, the City of Alameda and the City of Oakland met in a series of workshops to discuss future ferry service scenarios for Alameda and Oakland. A chief concern of WETA and the City of Oakland associated with the relocation of the Alameda Main Street terminal was the possibility of “bifurcating” what is today an efficient “linked” service that supports both cities. Surging ridership growth was occurring during this period and the conditions that are still present today – significant spillover parking and crowded peak period vessels – were another concern brought up in the workshops. Future capacity limitations within the Oakland estuary were within sight and the workshops served as a forum for ways to address the need for more ferry service and improvements to access and parking in Alameda.

The conclusion of these staff meetings was that the old concept of closing Main Street in favor of a replacement terminal at Alameda Point would have the effect of degrading ferry service for both Alameda and Oakland. The limited parking available at the Alameda Point location and the implication for Oakland in bifurcating the service led the group to conclude that Main Street should remain open and that a new Alameda Point terminal will serve as the necessary expansion of ferry service that will be needed over the next ten years to accommodate increased service demand.

Approximately a year after these meeting on June 16, 2015, the Alameda City Council approved a Disposition and Development Agreement (DDA) with a private developer, Alameda Point Partners, LLC (APP), for redevelopment of a portion of Alameda Point. The development site – referred to as “Site A” -- consists of a 68-acre mixed-use project at the gateway of Alameda Point. Contingent upon the closing for the City’s transfer of the Site A property, APP is obligated to pay \$10 million towards the costs incurred for permitting, design and construction of a new Ferry Terminal and associated parking improvements at Seaplane Lagoon, which borders the Site A property on the south-facing shore of Alameda Point.

The City of Alameda and APP agreed to cooperate in the construction of a permitted and operating ferry terminal at Seaplane Lagoon. In accordance with the DDA [Article 5.1(b)(1)], a Ferry Terminal Plan shall be developed with a reasonable conceptual design and the Parties’ best estimate of the schedule and costs based on available information. Upon approval of the Ferry Terminal Plan, the City will obtain third party permits and approvals necessary for construction and operation of the Ferry Terminal. The Ferry Terminal Plan and Project MOU are scheduled for adoption by the Alameda City Council on April 5, 2016.

Discussion

The draft Memorandum of Understanding formalizes the partnership between the City of Alameda and WETA and provides a common understanding of the project and the future service at the conceptual level. Both the City and WETA will actively pursue additional funding needed to support the terminal, vessels and service.

The Seaplane Lagoon project differs from recent WETA projects such as Richmond in terms of roles and responsibilities of the project partners. The terminal will be constructed by a private entity, Alameda Point Partners, in conjunction with the City of Alameda, which is also responsible for environmental clearance and permitting. WETA would be the owner and operator of the waterside assets (float, gangway, pilings, and pier) once built, consistent with other terminals that WETA operates to in Alameda, Vallejo and South San Francisco. There is also a relationship between an existing nearby terminal (Main Street) and the expansion terminal (Seaplane Lagoon) that will influence access improvements such as parking and feeder bus service as well as ferry service. Finally, the Seaplane Lagoon ferry terminal has been planned as an integral part of a large mixed-use development, meaning that it will serve not just an existing residential population but new residents and employees.

The attached site map identifies the location of the proposed Seaplane Lagoon terminal and a rendering of the Site A development plan. The location was selected with the input of WETA staff, considering both land side and water side context. On the land side, the terminal will serve both the Site A mixed-use (largely residential) development and a future commercial development referred to as Site B. Feeder bus service from AC Transit has been designed into the development and will stop immediately in front of the terminal. There will be a 400-space temporary parking lot when the terminal opens and a permanent surface lot or structure will be constructed when the Site B development is completed. On the water side, the terminal has been sited to avoid conflicts with recreational use of the Lagoon on the northern and western shores and provides the fastest route to San Francisco.

Other highlights of the MOU include:

- The target date of initial operations is 2020. However, there is flexibility that operations can commence once both capital and operating funds are identified and a vessel is available for the service. While it may be possible that funding becomes available from

a new source and a vessel can be constructed prior to 2020, the terminal must still go through permitting, design and construction activities that the City is projecting will be completed in mid-2019.

- Service to Seaplane Lagoon will be weekday, commute-period only with a minimum of three departures in both the AM and PM periods. Midday and late night service will still operate out of the Main Street terminal, along with additional peak period service.
- The MOU formalizes a partnership between WETA and the City of Alameda to collaborate in pursuing grant funds to support the various project components. A first step in this partnership could be WETA support of the City's proposed TIGER grant application for federal funds to support multi-modal transportation improvements for this development.
- The MOU defines the City of Alameda as the lead in securing environmental clearance and permitting required for the facility. WETA will be consulted and all facilities must be constructed to WETA standards.
- Fares for the new service will be the same as Main Street, to ensure that passengers choose a terminal based on schedule convenience, not expense.
- In the event that a Seaplane Lagoon terminal has not been constructed by 2021, a clause in the MOU allows WETA, funding provided, to make necessary capital improvements at Main Street to accommodate additional service expansion at the Main Street Terminal, in consultation with the City.

The draft MOU was developed over a series of meetings between staff from WETA and the City of Alameda. The City is scheduled to bring the MOU along with adoption of an addendum to the Alameda Point Environmental Impact Report to the City Council on April 5, 2016.

Fiscal Impact

The draft Memorandum of Understanding assumes that new funding sources will be identified and secured for both the capital and operating expenses required for the Seaplane Lagoon terminal.

END

Seaplane Lagoon Ferry Service Project Memorandum of Understanding

March 15, 2016

Term, Parties

General	This document establishes the framework for development of a future Seaplane Lagoon ferry terminal and new ferry service connecting Alameda Point and San Francisco that may be implemented as early as FY 2020.
Term	This agreement shall commence on MONTH, DATE, YEAR and shall remain in effect from the first day of operations through the first 10 years of Seaplane Lagoon Ferry service operations.
Parties	<p>This agreement is between the San Francisco Bay Area Water Emergency Transportation Authority (WETA) and the City of Alameda (City).</p> <p>WETA was established in 2008 as the successor agency to the Water Transit Authority with a mission to consolidate and operate certain existing publicly operated ferry services on San Francisco Bay, expand new routes, and coordinate ferry services in the event of an emergency.</p> <p>The City of Alameda is a charter city and municipal corporation located within Alameda County. The City is an island jurisdiction and acknowledges ferry service as an important mode of regional transit access and traffic congestion relief and desires to initiate new ferry service between Seaplane Lagoon and San Francisco in support of its plans to develop the western area of Alameda commonly referred to as Alameda Point.</p>
Transition Agreement	The City and WETA executed a Transition/Transfer Agreement on February 25, 2011 and the Alameda/Oakland and Harbor Bay Ferry Services were transferred to WETA on April 29, 2011. The Agreement provides for continued operation of the existing ferry vessels and waterside facilities under the management of WETA, and continued operation of the City's landside ferry terminal assets by the City, with reimbursement from WETA. The Agreement also acknowledges the City's desire to have ferry service to San Francisco from Seaplane Lagoon at Alameda Point and sets forth that WETA and the City will work together in good faith to establish a Seaplane Lagoon ferry service and to explore the viability of such a service.
WETA System Expansion Policy	On June 4, 2015 the WETA Board of Directors adopted a System Expansion Policy to serve as a framework for evaluating the feasibility of new ferry projects. This MOU has been developed based on this framework and it is the intent of the City and WETA to further develop a future Seaplane Lagoon ferry service consistent with WETA's System Expansion Policy.

Seaplane Lagoon Ferry Service Plan

<p>Western Alameda Service Strategy</p>	<p>This Agreement acknowledges the City’s and WETA’s intent to have ferry service to San Francisco from Seaplane Lagoon at Alameda Point and sets forth that WETA and the City will work together in good faith to establish a Seaplane Lagoon ferry service.</p> <p>The City is currently served by three ferry routes operated by WETA, including the Alameda/Oakland Ferry Service. The Alameda/Oakland Ferry Service, which originates at the Main St. Ferry Terminal, represents an effective and long-standing mode of regional transit access between the western portion of Alameda and San Francisco. Service is provided during weekday commute and midday periods, as well as weekends. During peak operating periods, the Alameda/Oakland Ferry Service is provided by the concurrent operation of two vessels. The Main St. ferry terminal is also served by the South San Francisco Ferry Service, which operates during weekday commute periods to and from Oyster Point Marina in South San Francisco. Approximately 800 parking spaces are available for ferry patrons at or in close proximity to Main St. ferry terminal.</p> <p>WETA and the City acknowledge that a future Seaplane Lagoon ferry terminal represents a strategically beneficial opportunity for enhancing ferry service between the western portion of Alameda, currently served by the Alameda/Oakland Ferry Service, and San Francisco. Furthermore, it is acknowledged that, during the commute periods, the existing Main Street ferry terminal service has limited ridership capacity. Continued ridership growth is anticipated not only from increasing residential and job growth at Alameda Point, but also from the rest of Alameda/Oakland.</p> <p>WETA and the City studied three ferry service expansion alternatives:</p> <ul style="list-style-type: none">• Adding a third vessel to the existing service at Main Street• Shifting all service to Seaplane Lagoon• Expanding service to Seaplane Lagoon while maintaining the existing Main Street service <p>After evaluating the alternatives, expansion service to Seaplane Lagoon while maintaining the existing Main Street service was identified as a mutually beneficial approach to accommodate ongoing demand for ferry service in West Alameda.</p> <p>In response to existing and projected ridership demand, WETA and the City agree to make it a priority to establish a commute-oriented ferry service between Seaplane Lagoon and San Francisco. The Seaplane Lagoon ferry service will be initiated once operating funds and terminal and vessel assets are secured to operate the expansion service. The City and WETA agree that, at a minimum, the existing levels of service and current amenities, including both the quantity of on-street and off-street parking facilities, will be maintained at the Main St. ferry terminal irrespective of future Seaplane Lagoon ferry service being implemented.</p>
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<p>Seaplane Lagoon Service Plan</p>	<p>Commuter-oriented Seaplane Lagoon ferry service will include AM peak period departures to San Francisco and PM peak period return trips to Seaplane Lagoon. Reverse-commute service will also be offered, primarily to reposition the vessel to make the maximum and optimal number of peak trips. At the outset, service will operate approximately 253 days per year. Weekend or holiday service is not anticipated initially, but may be provided as demand increases.</p> <p>Special event service may be considered on a case-by-case basis and subject to WETA’s board policy for special event service cost recovery. Due to dock capacity constraints at AT&T Park, the service plan does not envision AT&T ballgame service from the Seaplane Lagoon Ferry Terminal.</p> <p>WETA will endeavor to link Seaplane Lagoon service to other terminals in the WETA network in an effort to find cost efficiencies through interlining, vessel sharing and crew sharing.</p> <p>Non-WETA vessel operators will be permitted to call on the Seaplane Lagoon Ferry Terminal provided they do not interfere with regularly scheduled WETA service and sign WETA’s standard landing rights agreement.</p>
<p>Initial Ferry Service Level</p>	<p>The Initial Ferry Service Plan defined herein represents the minimum level of service required to operate an effective commuter service and shall be provided upon the initiation of Seaplane Lagoon ferry service and throughout the 10-year operating plan, consistent with WETA’s System Expansion Policy.</p> <p><u>Peak Period Service</u> A minimum of three departures between the hours of 6-9 AM from Seaplane Lagoon and two reverse peak departures from San Francisco between the hours of 6-9 AM.</p> <p>A minimum of three departures between the hours of 4-8 PM from San Francisco and two reverse peak departures from Seaplane Lagoon between the hours of 4-8 PM.</p> <p><u>Midday Service</u> Initially, none anticipated. Midday service will continue to be provided from the Main Street ferry terminal and may be added to the Seaplane Lagoon service level as demand warrants.</p> <p><u>Weekend Service</u> Initially, none anticipated. Weekend service will continue to be provided from the Main Street ferry terminal and may be added to the Seaplane Lagoon service level as demand warrants.</p>

<p>Expansion of Schedule and Service Plan</p>	<p>The Initial Ferry Service Level defined for Seaplane Lagoon service may be expanded as necessary. All service adjustments, including possible 30-minute or faster headways in the peak hour and initiation of midday or weekend services, shall be consistent with the WETA System Performance Targets Policy adopted by the WETA Board on June 4, 2015 and other WETA service planning policies in effect at the time of adjustment, as applicable.</p>
<p>Fares</p>	<p>The fares for the proposed Seaplane Lagoon service will be the same as those approved for the Alameda/Oakland Ferry Service by the FY2015-FY2020 Fare Program adopted by the WETA Board. It is anticipated that the WETA Board will adopt a new 5-year fare program in Fiscal Year 2020 that will set fare rates for the period FY2021 – FY2026.</p>
<p>Emergency Response and Recovery</p>	<p>In the event of a natural disaster or disruptive regional event, WETA ferries may be called upon by the California Office of Emergency Services (Cal OES) to provide service from the Seaplane Lagoon ferry terminal for both emergency response and recovery after the event.</p> <p>In the immediate aftermath of an event, Cal OES will determine how to allocate regional transportation resources including ferries. The Seaplane Lagoon terminal will be an asset in this emergency network however it will be a state and regional decision as to how this asset will be used.</p> <p>In the weeks and months following an event as the Bay Area recovers, ferry service will play a critical role as a component of the regional transit network that can be quickly operationalized at terminals like Seaplane Lagoon. Decisions regarding funding and asset deployment during the recovery phase will also likely take place at the state and regional level.</p>

Operations Funding

<p>Estimated Operating Expenses</p>	<p>Operating Expenses are defined as those expenses required to operate and maintain a primary vessel and a pro rata allocation of a spare vessel from WETA’s fleet for the initial service level as defined in this agreement. General maintenance and repair of vessels, as well as terminal and berthing facilities, such as parking lots, signage, ticketing facilities, floats, piles, gangways and other service equipment will also be considered operating expenses. Finally, a portion of WETA administrative staff time and expense is included in the estimate of operating expenses.</p> <p>Attachment A presents a conceptual estimate of annual vessel operating expenses and revenues based on existing FY 2015 costs and assumptions regarding regulatory requirements, fuel and labor rates for commute-only services as described in Initial Ferry Service Level above. Actual expenses may vary from this estimate and would be updated as services are developed and operation is implemented. Significant or structural changes to the regulatory environment governing crew levels will cause a revision of this agreement.</p>
<p>Operating Funding</p>	<p>An operational subsidy will be required to initiate and sustain Seaplane Lagoon ferry service. The operational subsidy is defined as the amount required to fund the excess of operating expenses over revenue generated by passenger fares, parking fees or other service-generated revenue. Seaplane Lagoon ferry service shall be initiated when sufficient operational funding has been secured for a minimum service period of ten years. As of the time of this MOU’s execution, no sufficient operating funding is available.</p> <p>WETA and the City agree to collaborate in seeking regional and other funding sources for operational subsidies for WETA ferry service at Seaplane Lagoon, including any funding from a potential regional funding measure. WETA and the City will actively advocate for Seaplane Lagoon ferry service, and will support one another’s efforts to obtain regional and other funding.</p>

Capital Funding, Maintenance and Rehabilitation

<p>Vessels</p>	<p>The Seaplane Lagoon service will require a dedicated vessel to ensure reliable operations. It is estimated that a vessel will cost approximately \$16 million (FY 2015 dollars). The utilization and cost allocation of a spare vessel could be shared between Seaplane Lagoon ferry service and other WETA services, subject to future availability. WETA is working to secure funds to expand its fleet to accommodate strong service demand in Oakland and Alameda. Fleet expansion would provide the opportunity to allocate a dedicated vessel and pro rata allocation of a spare vessel to Seaplane Lagoon ferry service. WETA will undertake the design and procurement of new vessels, which will require approximately a 2-year lead time prior to the anticipated start of Seaplane Lagoon ferry service. As necessary, the City commits to evaluate the feasibility of contributing to the cost of new vessels through fees and other potential revenues generated through the development of Alameda Point, subject to these fees and other revenues being available and eligible for such use.</p> <p>In the event an additional vessel becomes available prior to FY 2020, that additional vessel may be allocated to Seaplane Lagoon ferry service, at WETA’s discretion, to initiate ferry service prior to 2020, provided that construction of the Seaplane Ferry Terminal is complete and operating subsidies are in place.</p>
<p>Ferry Terminal - General</p>	<p>The Seaplane Lagoon Ferry Terminal will be built along the eastern extent of the Seaplane Lagoon located at Alameda Point at a precise location to be proposed by the City and approved by WETA. The terminal shall be designed as an unmanned facility, only open when a vessel is at the terminal, generally for 5-10 minutes. Clipper™ will be primary fare media utilized for ticket sales. Ticket sales at a landside facility are not anticipated at this time; however, WETA commits to working cooperatively with the City and other stakeholders (AC Transit) to evaluate the feasibility of a terminal ticket and passenger information office as part of a potential ferry and bus intermodal terminal facility.</p> <p>The City will be responsible for funding and contracting for terminal construction, including both landside and waterside facilities. Anticipated sources of funding include developer contributions and other public and private sources of funds that WETA will cooperate with City in seeking.</p>
<p>Ferry Terminal Facilities</p>	<p>The Ferry Terminal Facilities of the Seaplane Lagoon ferry terminal is defined as all ferry-related facilities and amenities provided upland of the access control gate. At its discretion, the City may elect to phase construction of terminal facilities and amenities in a manner that is consistent with its overall development plans for Alameda Point, provided such facilities meet WETA’s standard operating requirements, including but not limited to the provision of adequate passenger waiting areas, weather protection, security, and possible future ticketing facilities.</p>

	<p>The City shall retain ownership of and responsibility for the operation and maintenance of all landside assets constructed as part of the ferry terminal, including terminal parking, unless negotiated otherwise with WETA. Ownership and maintenance of waterside assets (pilings, piers, docks and floats) shall be retained by WETA as set forth below.</p>
<p>Terminal Access</p>	<p>The City agrees to provide parking facilities for a minimum of 400 cars within 1/4 of a mile from the access control gate with priority given to ferry patrons accessing the terminal during weekday commute periods. The full number of required parking spaces shall be made available upon the initiation of Seaplane Lagoon ferry service. The parking lot shall be owned, maintained, and operated by the City or its designated representative. The City will evaluate the possible implementation of parking fees, of which all proceeds, if any, would be committed back to support ferry parking, maintenance and operations.</p> <p>The City and WETA agree to work collaboratively to advocate for and coordinate with AC Transit and other potential local transit operators to provide frequent, reliable, and convenient bus service to the Main Street Terminal and future Seaplane Lagoon ferry terminal.</p> <p>Transit service required and implemented under the Transportation Demand Management Program for Alameda Point shall be designed to provide direct access to the future Seaplane Lagoon ferry terminal.</p>
<p>Berthing Facilities</p>	<p>The berthing facilities associated with the ferry terminal are defined as all ferry-related facilities extending bayward of, and including, the access control gate. These facilities will be designed and built by the City to WETA's standard operating specifications. It is the intent of the City and WETA to work collaboratively throughout the design process to ensure that facilities are designed to WETA's standards. WETA acknowledges the City's desire for a cost efficient design to stay within available funding estimates and avoid, if possible unnecessary cost due to non-essential design elements. Upon completion of the design and prior to the release of a Request for Proposals for construction, the City will provide WETA with a 30-day period to review design specifications and shall obtain written confirmation from WETA that the design meets WETA's standard operating specifications.</p> <p>The City will undertake any initial dredging required to ensure adequate depth within Seaplane Lagoon to support WETA operations, although none is currently expected.</p> <p>Upon completion of construction, and assuming that vessels and operating funds have been secured and WETA will begin operating a ferry service, WETA will assume control of all waterside assets through transfer of ownership with the City, whereby WETA will be responsible for operating and maintaining these facilities. WETA shall allow waterside ferry facilities to</p>

	<p>be available to private operators on an occasional basis, provided those landings do not conflict with WETA operations and the private operator enters into and meets the terms of WETA’s standard Landing Rights Agreement.</p>
<p>Service Expansion at Main Street Terminal by 2021</p>	<p>If by 2021 the Seaplane Lagoon Terminal has not been constructed, but regional operating funding is available for additional service to Alameda, WETA may elect to make any necessary major capital improvements to accommodate additional vessels and service expansion at the Main Street Terminal and reconfirm the validity of this MOU at that time.</p>
<p>Capital Rehabilitation</p>	<p>The City and WETA will work collaboratively to secure funds to support capital rehabilitation needs associated with service vessels along with waterside and landside assets. WETA will take the lead in implementing capital rehabilitation of vessels and waterside facilities. The City will take the lead in developing, constructing and securing future funds to support the rehabilitation and replacement of landside capital facilities, including terminal amenities and parking facilities.</p> <p>The City and WETA shall coordinate efforts to secure funding and permits to undertake future maintenance dredging, as required. Specifically, the parties will seek to leverage opportunities to combine this work with other dredging efforts undertaken in the project area.</p>

<p>Partnering</p>	<p>Federal, state, regional or local funding for transit capital and operations may become available during the term of this MOU. The City and WETA will work in partnership and coordinate closely to actively pursue capital and operating revenue sources for the Seaplane Lagoon ferry service. WETA and the City agree to work collaboratively to support one another in seeking and securing ferry grant funds (e.g. TIGER, Measure BB, regional transportation measures, etc.) to support delivery of the Seaplane Lagoon ferry service project and ongoing operation of the service and maintenance of vessels and facilities. Such support may include, but not be limited to: application support letters, provision of ridership data, operating or capital cost information or other technical information required by funders, and WETA Board or City Council resolutions in support of one another’s funding applications.</p>
<p>Environmental Review and Permitting</p>	<p>The City and WETA agree to comply with the California Environmental Quality Act (and the National Environmental Policy Act, if federal funds are obtained) in construction of the ferry terminal and in initiation of new ferry service at the Seaplane Lagoon.</p> <p>The City will be responsible for project permitting, including but not limited to approvals required by the National Marine Fisheries Service, the U.S. Fish and Wildlife Service, the San Francisco Bay Area Regional Water Quality Control Board, the Army Corps of Engineers, and the Bay Conservation and Development Commission. WETA shall provide technical support for environmental review and permitting, as requested.</p> <p>The City and WETA shall mutually agree to any and all mitigation measures committed to during project environmental review and permitting processes unless already adopted by the City in its Alameda Point Final Environmental Impact Report (2014).</p> <p>The City will clear increased service under CEQA at a future date.</p>

WETA and The City of Alameda have entered into this Memorandum of Understanding as of the last date set forth below.

The City of Alameda, a charter city
and municipal corporation

**San Francisco Bay Area Water
Emergency Transportation
Authority**

By: _____
Jill Keimach
City Manager

By: _____
Nina Rannells
Executive Director

Recommended For Approval:

Recommended for Approval

By: _____
Jennifer Ott, Chief Operating Officer,
Alameda Point

By: _____
Kevin Connolly, Manager of
Planning and Development

Approved as to Form:

Approved as to Form

By: _____
Janet C. Kern
City Attorney

By: _____
Stanley S. Taylor III
Legal Counsel to Authority

ATTACHMENT A - Seaplane Lagoon Operating Expense & Revenue Projection

(prepared March 8, 2016)

Expenses	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029	10-year Totals
Vessel Expenses (1)	\$ 2,384,243	\$ 2,479,613	\$ 2,578,797	\$ 2,681,949	\$ 2,789,227	\$ 2,900,796	\$ 3,016,828	\$ 3,137,501	\$ 3,263,001	\$ 3,393,521	\$ 28,625,477
Non-Vessel Expenses (2)	\$ 43,870	\$ 45,624	\$ 47,449	\$ 49,347	\$ 51,321	\$ 53,374	\$ 55,509	\$ 57,730	\$ 60,039	\$ 62,440	\$ 526,704
Fixed Contract Operator Fees (3)	\$ 210,510	\$ 218,930	\$ 227,687	\$ 236,795	\$ 246,267	\$ 256,117	\$ 266,362	\$ 277,017	\$ 288,097	\$ 299,621	\$ 2,527,404
WETA Direct Expenses (4)	\$ 555,114	\$ 566,217	\$ 577,541	\$ 589,092	\$ 600,874	\$ 612,891	\$ 625,149	\$ 637,652	\$ 650,405	\$ 663,413	\$ 6,078,347
Contingency @ 10%	\$ 319,374	\$ 331,038	\$ 343,148	\$ 355,718	\$ 368,769	\$ 382,318	\$ 396,385	\$ 410,990	\$ 426,154	\$ 441,900	\$ 3,775,793
Total Expenses	\$ 3,513,111	\$ 3,641,422	\$ 3,774,623	\$ 3,912,902	\$ 4,056,458	\$ 4,205,497	\$ 4,360,233	\$ 4,520,889	\$ 4,687,696	\$ 4,860,895	\$ 41,533,725

Revenues

Fare Revenue (5)	702,622	837,527	943,656	1,056,483	1,176,373	1,303,704	1,438,877	1,582,311	1,734,448	1,944,358	12,720,359
Operating Subsidy Required (6)	2,810,488	2,803,895	2,830,967	2,856,418	2,880,085	2,901,793	2,921,356	2,938,578	2,953,249	2,916,537	28,813,366
Farebox Recovery (7)	20%	23%	25%	27%	29%	31%	33%	35%	37%	40%	
Required Average Daily Ridership (8)	493	571	625	679	734	790	846	904	962	1,047	
Average Fare (9)	\$5.63	\$5.80	\$5.97	\$6.15	\$6.33	\$6.52	\$6.72	\$6.92	\$7.13	\$7.34	

NOTES:

- 1) Vessel Expenses include crew & maintenance labor, fuel and urea, vessel repair and materials, and vessel insurance. Vessel Expenses are escalated at 4% annually
- 2) Non-vessel Expenses include non-vessel materials and supplies, and professional fees. Non-vessel Expenses are escalated at 4% annually
- 3) Fixed Contract Operator Expenses include administration services, dispatch and supervision services, insurance deductibles, and profit. Fixed Contract Operator Expenses are escalated at 4% annually
- 4) WETA Direct Expenses include administration, facility O&M, lease costs, facility insurance, docking fees, marketing, and other miscellaneous services. WETA Direct Expenses are escalated at 2% annually
- 5) Fare revenues are calculated based on assumed target farebox recovery ratio
- 6) Operating subsidy represents operating funding required, but not yet secured, to provide Seaplane Lagoon Ferry Service
- 7) Farebox recovery assumed increase from 20% to 40% over 10-year operating horizon.
- 8) Ridership calculated by dividing anticipated fare revenue by assumed average fare by 253 operating days per year
- 9) Calculated based on AOSF service and escalated at 3% annually.



City of Alameda California

June 7, 2018

Sent via E-mail and USPS

Nina Rannells, Executive Director
San Francisco Bay Area Water Emergency Transportation Authority (WETA)
Pier 9, Suite 11, The Embarcadero
San Francisco, CA 94111

RE: Request for \$2 Million in Funding for Seaplane Lagoon (SPL) Ferry Terminal in Fiscal Year 2019-2020

The City of Alameda (City) is grateful to have WETA as partner to address challenges and to create the best ferry service possible in Alameda. In that same vein, the City is asking WETA for a commitment of funds to supplement the existing \$18.2 million in public/private funds currently allocated to design and construct the Seaplane Lagoon (SPL) Ferry Terminal. The current design effort, which is two years after initial concepts and estimates were approved, indicate a \$22 million new total project cost, resulting in approximately \$4 million more than the original estimate. The increase is due primarily to a more than 6% per year cost escalation, as well as the requirements identified moving from concept to actual design and the need to maintain an adequate contingency. City staff have also requested that the City Council authorize allocating \$2 million at its June 19th City Council meeting to help close the remainder of the funding gap for the SPL Ferry Terminal project.

The City is asking WETA for a commitment to fund \$2 million of the \$4 million gap now to ensure the opening of the ferry terminal in 2020, as envisioned in the Memorandum of Understanding (MOU) between WETA and the City executed in 2016. The requested funds are for construction of the terminal and are not needed until FY 2019/2020; however, commitment of funds now is critical to having full funding in place before authorizing procurement of the float component of the ferry, which will take almost a year to construct and deliver. Procurement of the float is the critical path item and must be ordered no later than September 2018 to stay on course for construction in the 2019 in-water work window and completion of the project in the first quarter of 2020. If the 2019 in-water work window is missed, the project could not be constructed until the following year, delaying completion of the project by a year and the opening would not occur until 2021.

The SPL ferry terminal is being planned in conjunction with the first phase development of the Site A project which is now under construction and includes 800 housing units, 600,000 square feet of commercial and 15 acres of parks, which is just a subset of the larger plans for all of Alameda Point for thousands of housing units and 5.5 million square feet of commercial development and 9,000 jobs. Part

Office of the City Manager

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Alameda, California 94501
510.747.4700 • manager@alamedaca.gov

of the development agreement with the developer, Alameda Point Partners (APP), required that they provide the City with a \$10 million contribution towards construction of the new ferry terminal as part of the first phase. This contribution coupled with the \$8.2 million grant the City was awarded from the Alameda County Transportation Commission resulted in the \$18.2 million in total committed funding for the SPL Terminal.

For WETA, the new ferry terminal has a number of important benefits:

- Locates service within walking distance of a major development, which will maximize demand for service from the residents and employees located at Alameda Point.
- Creates new parking facilities (currently a 400-space parking lot is planned at Alameda Point) for existing residents since available parking at the Main Street Terminal is close to reaching capacity.
- Allows WETA to easily coordinate the Main Street and Seaplane Lagoon services as one West End service (i.e., boats can be moved in and out of both terminals) to meet shifting demands from each terminal and from Oakland, creating long-term flexibility for WETA, without compromising the viability of the Oakland service.
- Positions WETA for an increase in service in the Transbay corridor, where the ferry is one of the best options given capacity limitations on the bridge and BART.

For the City, the new ferry service will maximize opportunities for the residents and employees who locate at Alameda Point to be transit users. This minimizes potential traffic impacts and significantly increases the possibility of attracting major commercial users to Alameda Point. For the Site A developer, the new ferry service helps minimize peak-hour vehicle trips and comply with their trip reduction goals and also attracts retailers, commercial users and residents, which translates into greater market demand for their development and higher values. The new ferry service is an important component of their marketing and business plan for the successful implementation of the Site A development.

To date, the design for the float, the long-lead item that must be ordered a year in advance because of the time it takes to fabricate and transport, is nearly 100% complete. The other waterside components (gangway and pier) and landside components (parking lot, road and bikeway improvements) are almost 30% complete. All City approvals of the design are anticipated by the end of June 2018.

Although, the City is requesting that WETA provide the funding to fill \$2 million of the \$4 million gap now, the design team, City and WETA staff are diligently working together to identify savings in the project scope and design, which could reduce the amount of gap funding needed. However, as mentioned before, the requested funding is needed now to stay on the schedule that benefits WETA, the City and APP.

Again, we are grateful for partnership and support of the SPL ferry project. At your convenience, I would be happy to meet with you and/or provide any additional information you may need in consideration of

this urgent request. Also, please feel free to contact Jennifer Ott at (510) 747-4747 or jott@alamedaca.gov with any questions.

Sincerely,



Elizabeth D. Warmerdam
Acting City Manager

EDW:mk

cc: City of Alameda - Jennifer Ott
WETA Board Members - Chair Jody Brekenridge, Vice Chair James Wunderman, Jeff DelBono,
Anthony Intintoli Jr., Nicholas Josefowitz

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager

SUBJECT: Regional Measure 3 Program and Plan Update

Recommendation

There is no recommendation with this information item.

Background

Regional Measure 3 (RM3), approved by a majority of voters in the nine Bay Area counties during the June 5, 2018 election, authorized a three dollar bridge toll increase on the Bay Area's state-owned bridges to fund a comprehensive program of regional transportation improvements. The measure authorized the bridge toll increase to take place in \$1 increments over a six-year period starting with a \$1 increase on January 1, 2019, and followed by additional \$1 increases in January 2022 and January 2025.

RM 3 will provide WETA with \$300 million in capital funds to support construction of WETA vessels, terminals and facilities and up to \$35 million in annual operating subsidy to support WETA's growing regional system of ferry services. These funds will all be administered by the Metropolitan Transportation Commission (MTC) and allocated annually for WETA's use. Operating funds not utilized in a given year will be set aside in a reserve by the MTC for use by WETA in future years.

On July 5, 2018 the Howard Jarvis Taxpayers Association filed a lawsuit against the Bay Area Toll Authority and the State Legislature arguing that the bridge toll approved by the voters pursuant to RM3 is a special tax and therefore subject to a two-thirds vote requirement of the electorate or the Legislature. At this time, it is not known how the lawsuit will affect the toll increase or availability of funding from RM 3. However, staff is proceeding to develop required plans and materials for submittal to MTC later this year in the event that funds are available for allocation beginning in January 2019.

Discussion

Prior to MTC providing funding to WETA for capital or operating funds included in RM3, WETA is required to develop and adopt a capital program and expenditure plan that includes system wide and route-specific performance measures related to fare box recovery, ridership and any other measures as deemed appropriate by WETA in consultation with MTC. Staff is working closely with MTC to begin this consultative process on defining performance measures with a focus on utilizing WETA's System Expansion Policy and System Performance Measures, adopted in June 2015, as the basis for this requirement.

Additionally, staff is working to develop a draft capital program and expenditure plan for Board consideration and submittal to MTC consistent with RM3 requirements. An early focus of this work has been to develop an operating cost model for forecasting the full cost of proposed new assets and services throughout their lifecycle to help ensure that the proposed program is sustainable. Program projects will be consistent with WETA's 2016 Strategic Plan and the

Regional Measure 3 Principles and Ferry Investment Program adopted by the Board of Directors in June 2017, which identified the following investment principles for RM3 funds and an initial set of projects:

1. Enhance Existing Ferry Services
2. Add Key Expansion Terminals
3. Create Fiscal Stability
4. Pursue Implementation-Ready Projects
5. Continue Partner Development

The Strategic Plan and the RM3 Principles and Investment Program are supported by efforts and plans developed by outside agencies, specifically the Core Capacity/Transbay Study (completed by MTC in 2017), Plan Bay Area (MTC, 2017), both the Mission Bay and Seaplane Lagoon project plans (developed by the Port of San Francisco and City of Alameda, respectively) and current projects in the planning phase such as Redwood City, Berkeley and Treasure Island.

The draft plan under development anticipates the following actions in the initial ten years of the RM3 program:

- Enhancements to weekend service starting in 2019
- Enhancements to the most congested services – Vallejo, Oakland, Alameda, Harbor Bay – starting in 2020 when vessels are available
- Opening of two new terminals – Seaplane Lagoon & Mission Bay -- in 2020 or 2021
- Introduction of small vessel service
- Enhancement to South San Francisco service (target 2023)
- Opening of new terminals (Redwood City and Berkeley) by 2025
- Procurement of up to seven new standard WETA vessels

Staff will provide an overview of these projects and plan assumptions at the Board meeting.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Keith Stahnke, Operations & Maintenance Manager

SUBJECT: Status Report on Study of Potential WETA Small Vessel Operations

Background

At the March 2018 meeting, the Board authorized staff to initiate an exploratory study of small vessel operations under the guidance of an Advisory Committee of the WETA Board of Directors. Staff proposed that the study would be undertaken by a transportation consultant who would work with the Advisory Committee to define the study's initial scope and develop a potential investment program for the use of small vessels. Directors Intintoli and Josefowitz were named to the Advisory Committee by the WETA Board Chair and ARUP, a transportation consultant with experience in Bay Area transit and ferry planning, was chosen as the transportation expert.

This memorandum provides a status report on the Advisory Committee's work to date and a forecast of the future tasks and opportunities of public and partner participation.

Discussion

The Advisory Committee held two meetings to date: in May and July. The consultant led the Advisory Committee through a definitional exercise to define the scope of study and to begin narrowing the potential uses of small vessels to a preferred set of potential applications. To inform the Advisory Committee discussion, the consultant developed concept-level operating and capital costs as well as service plans using the March 2018 staff memo and the Advisory Committee's own input to define the universe of potential applications.

Over the first two meetings, the Advisory Committee has narrowed the focus of potential small boat applications to areas that support or enhance existing WETA services and as an introductory service option for previously identified WETA expansion terminals such as Redwood City and Treasure Island. The vessel type being considered therefore would need to be compatible with WETA floats and facilities and would be capable of both high speeds suitable for Vallejo or Redwood City service and moderate speeds required for shorter trips such as to Treasure Island or in the Oakland Estuary.

The following potential small vessel applications will be carried forward for further analysis by the transportation consultant:

- Treasure Island-Ferry Building
- Oakland Estuary service between Alameda & Oakland
- Mission Bay-Ferry Building
- San Francisco waterfront (multi-stop service ranging from Hunter's Point to Fort Mason)
- Vallejo (midday, late night and peak period capacity relief)
- Alameda/Oakland (midday, late night and peak period capacity relief)

Next Steps and Stakeholder Outreach

Staff is targeting a completion date for the small vessel study of December 2018, to align with potential RM3 funding and the possibility of accelerated implementation. It is anticipated that the Advisory Committee will meet at least two more times before the study is complete and there will be regular status updates at Board meetings.

There is interest in the effort from many of the public agency partners staff works with on a regular basis. Staff proposes to convene a meeting of those public agencies on a periodic basis to share study results and solicit input on policy and technical issues. In addition, there is interest from advocacy groups, major employers and private operators in the direction of the study. Staff proposes to conduct a workshop for stakeholders this fall to share interim study findings and to solicit input and feedback that can be relayed to the Advisory Committee and the Board.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Operations Manager

SUBJECT: Update on Policy Development for Private Ferry Landings at WETA Facilities

Recommendation

There is no specific staff recommendation with this informational item.

Background

On March 7, 2018, the WETA Board of Directors authorized staff to move forward with a Small Vessel Service Study to explore the possibility of utilizing small vessels in WETA's service in a variety of ways possibly including to serve smaller markets, during off-peak periods of low demand, to serve areas inaccessible by standard WETA vessels, to provide capacity relief during overcrowding and to provide interim service to build up ridership in areas prior to construction of large vessel terminals.

Shortly thereafter, WETA staff was approached by Tideline Marine Group (Tideline) with a request for WETA to grant them permission to provide small vessel private charter landings at the Harbor Bay ferry terminal in order to shuttle employees of a private firm in the reverse-commute direction between South San Francisco and WETA's Harbor Bay ferry terminal. This service would include four one-directional landings per weekday, consisting of two morning trips to bring employees from a public landing site in South San Francisco to WETA's Harbor Bay terminal and two evening trips to take employees from WETA's Harbor Bay terminal back to South San Francisco. The request was for an initial six-month demonstration period with the potential to make this a long-term arrangement.

On June 7, 2018, the WETA Board of Directors considered Tideline Marine Group's request, as well as broader policy considerations regarding private charter landings. During the discussion, Board members expressed general interest in having a policy for allowing regularly scheduled private charter landings under certain conditions when WETA vessels were not available to provide service, but noted that key issues in the areas of safety, accessibility and prevailing/living wages would need to be sufficiently addressed. The Board recognized that staff has a rigorous work program at this time, but asked for a timeline for moving this discussion forward. The Board recognized that an important step in this process involved consultation with the City of Alameda to clarify their role in the landing approval process for the Harbor Bay Terminal.

Discussion

Since the June meeting, staff has made contact with City of Alameda staff, including the City Attorney's office, to discuss the unique circumstances surrounding the Harbor Bay

ferry terminal site. Pursuant to the various agreements governing WETA's use of the Harbor Bay facility, and confirmed by discussions with Alameda City Attorney, WETA lacks unilateral authority to grant permission for private landings. Both the City of Alameda and the private landowner that owns the property must be involved in granting permissions to a private entity that seeks to use the terminal:

- The underlying Easement between Harbor Bay Isles Associates (HBIA) and the City of Alameda allows the City to use the terminal only for "public" service and specifically prohibits landings by private companies—even private service that is open to the public—without approval by HBIA and the City of Alameda. The City's rights under the Easement were transferred to WETA pursuant to a "Transfer Agreement."
- Pursuant to the "Transfer Agreement," only the City has authority to grant additional landings, subject to WETA approval. The Transfer Agreement also acknowledges Harbor Bay Isles Associates (HBIA) approval rights over non-WETA landings.
- WETA holds a "personal license" from the City of Alameda to docking rights at the terminal. That means that the license is not transferable and the City of Alameda must approve any use of the terminal by anyone other than WETA.

City of Alameda staff is in the process of reviewing its easement and considering how to move forward to formalize their role in the approval process. City staff has told WETA that the earliest that this matter would be taken up by the Alameda City Council is September. Until such time as the City Council considers the item, WETA lacks the legal authority to take action specific to Tideline's request for permission to land at the Harbor Bay terminal.

In the meantime, staff has made best efforts to be responsive to Tideline's preparations for possible use of the Harbor Bay facility so that (i) if and when Tideline secures the necessary approvals from the City of Alameda, and (ii) if and when this Board determines either to approve a specific Tideline landing agreement or a more general set of policy guidelines regarding private landings, staff will be ready to move any Board-directed project forward as quickly as possible.

In addition to its efforts specific to Tideline, staff has developed the following preliminary draft guidelines for a future policy for private charter landings at WETA facilities.

GENERAL AUTHORITY

- A. The Executive Director has the authority to grant permits for one-time private landings that are consistent with these Guidelines and in WETA's best interest.
- B. The Executive Director will bring forward all complete permit applications consistent with the Guidelines that involve longer durations for Board consideration and approval,
- C. The Executive Director is authorized to reject any application that is not consistent with these Guidelines and may work with applicants to develop reasonable exceptions pertinent to their specific request.

GUIDELINES

1. Applicant's proposed use may not interfere with WETA's operations or with WETA's public ferry services.
2. Applicant must agree to comply with WETA operational requirements and restrictions for the safe use of WETA's facility.
3. WETA will retain ultimate control over the facility and be allowed to revoke any permit at any time at WETA's sole discretion.
4. Applicant must meet the accessibility standards that WETA applies to its own service and facilities. These standards may exceed the minimum legal requirements in particular circumstances.
5. Applicant must demonstrate an ability to meet WETA safety and security standards. This includes, but is not limited to, providing (i) evidence of any required USCG certifications, (ii) a WETA-approved safety plan for operations, (iii) demonstrated ability to meet all Maritime Transportation Security Act requirements, including but not limited to the requirement that at least one crew member on board a vessel landing at a WETA facility must have a Transportation Security Worker Credential (TWIC).
6. Applicant must assume all risk of use of WETA facilities and must agree to reasonable contract terms satisfactory to staff and legal counsel, including insurance and indemnities that provide adequate protection for all necessary parties, including WETA, Blue and Gold, and any applicable holder of property rights at the affected area.
7. Applicant must agree to financial terms that compensate WETA for its reasonable costs in granting and administering any Permit.
8. Applicant must comply with all applicable local, State, and Federal requirements.
9. Applicant must secure any necessary permissions from other agencies, jurisdictions, and land owners. WETA will cooperate with applicant's efforts but will not devote staff time unnecessarily to seeking such permissions.
10. Applicant must provide assurances to minimize the risk of labor disputes and satisfy applicable living wage standards.
11. Applicant must regularly report operating and ridership data for the permitted services.

These draft guidelines are based upon input from the Board of Directors during the discussion at the June 7 meeting. Staff welcomes additional feedback on the preliminary policy guidelines and will work to incorporate these into a policy for consideration for adoption at the September 7 Board of Directors meeting.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END