

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

(August 2, 2018)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at Pier 1, Port of San Francisco.

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:31 p.m.

2. ROLL CALL

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

3. REPORT OF BOARD CHAIR

Chair Breckenridge reported that she met with a group working on a hydrogen fuel cell ferry concept and she asked staff to arrange a presentation on the topic for a future meeting.

4. REPORTS OF DIRECTORS

Directors commended WETA staff for their work on the many open projects detailed in the Executive Director's Report.

5. REPORTS OF STAFF

Ms. Rannells shared her written report with Directors.

6. CONSENT CALENDAR

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

- a. Board Meeting Minutes – June 7, 2018

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

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

7. APPROVE ACTIONS RELATED TO AWARD OF CONTRACTS TO SUPPORT TERMINAL DREDGING

Operations & Maintenance Manager Keith Stahnke presented this item to approve actions related to award of contracts to support dredging projects at the South San Francisco and Vallejo ferry terminals. He explained that the multi-part item would support five actions if passed: (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 including a 10% owner's contingency, (4) approve Amendment No. 1 to Agreement #17-028 with FOTH Infrastructure & Environmental, LLC for technical and construction management services to increase the contract amount by \$40,000 to support additional 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.

Mr. Stahnke further noted that the two contractors that submitted bids on the original IFB for this work had received subcontractor bids from the same subcontractor for the same amount, and the estimates received at WETA had far exceeded the original engineer estimates for the full scope of the proposed work. He noted that the Vallejo bid numbers for the dredging were close to the original estimate, but that the work for the passenger float and gangway rehabilitation had far exceeded engineer expectations.

It was agreed that future contract items brought before the Board for approval would include engineer project estimates.

Director Intintoli made a motion to approve the item supporting all five of the actions.

Director Wunderman seconded the motion and the item carried unanimously.

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

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

Transportation Planner Taylor Rutsch presented this item to award contract to Hopthru, Inc. for a mobile ticketing platform. He said the 38 month agreement period was to support a two month ramp up period in addition to a more standard three year contract term.

Director Josefowitz made a motion to approve the item.

Director DelBono seconded the motion and the item carried unanimously.

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

9. RICHMOND FERRY TERMINAL PROJECT AND SERVICE UPDATE

Senior Planner/Project Manager Chad Mason presented this informational project and service update on the Richmond Ferry Terminal Project. He shared a slideshow on the progress to date of the land and shoreside construction and surrounding land and access improvements. Mr. Mason said that project construction would be delayed approximately two months due to necessary modifications to the passenger shelter element of the project. He explained that a source for the metal siding had been identified and secured in Wisconsin, and that a local Bay Area fabricator would be completing the louvre finishing work. He said that these louvres were expected to be installed on the passenger shelter by the end of December.

Mr. Mason said that a marketing plan for the new service had been developed in collaboration with the City of Richmond, West Contra Costa County Transportation Advisory Committee and the National Parks Service. He also said that the WETA Operations and Planning teams had developed a service schedule that, through strategic vessel interlining, allows for four morning and evening peak period weekday trips between Richmond and San Francisco.

Staff identified the potential new start date for service operation of early January 2019, in order to accommodate the extended construction schedule and align the service start-up with new San Francisco berthing capacity. Directors discussed project design aesthetics versus project viability and construction schedules and it was agreed that an adjustment was needed and that staff should identify a hard start date for service that everyone could plan on.

10. APPROVE AMENDMENT TO AGREEMENT WITH GHIRARDELLI ASSOCIATES TO PROVIDE ADDITIONAL CONSTRUCTION MANAGEMENT SERVICES FOR THE RICHMOND FERRY TERMINAL PROJECT

Mr. Mason presented this item to approve an agreement amendment to increase the total contract amount by \$400,000 with Ghirardelli Associates to provide additional construction management services for the Richmond Ferry Terminal Project. He explained that because the construction is now scheduled to be completed in December instead of October as originally expected, Ghirardelli will be required to work beyond the initially agreed upon contract term and price, in addition to the required extra work on permitting and initial construction preparation that they have already provided for the project outside of the original parameters of the contract.

Director Intintoli made a motion to approve the item.

Director DelBono seconded the motion and the item carried unanimously.

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

11. OPEN PUBLIC COMMENT PERIOD ON A PROPOSED FARE STRUCTURE FOR THE RICHMOND FERRY SERVICE

Planning & Development Manager Kevin Connolly presented this item to open the public comment period on a proposed fare structure for the future Richmond ferry service. He said that approximately 500 people per day were expected to use the service during the first year resulting in an estimated 30 percent farebox recovery.

The Board expressed interest in exploring the possibility of offering discounted fares and transfers for multi-modal public transit use by Richmond ferry riders. Directors noted the sometimes delicate balancing act of assuring economic accessibility for all and meeting the Metropolitan Transportation Commission (MTC) farebox recovery requirements for each individual ferry route.

Directors discussed the free parking initially planned for the Richmond service during its first year, and they emphasized the importance of getting ferry riders to WETA terminals without increasing traffic congestion and vehicle emissions in the Bay Area. It was agreed that having a fare discount incentive to those riders who reach the terminal using a method other than driving alone in their vehicles would be a wise objective when considering the parking policy in the future.

Mr. Connolly emphasized that the current initial parking plan at the Richmond terminal will be in place for the first year and he said that decision had been made in concert with the City of Richmond, which owns the parking property, and the West Contra Costa Transportation Advisory Committee, which is the entity funding the service operation/subsidy. He further explained that once Directors adopt a WETA systemwide parking program and the new service ramps up with an established ridership, the details for how to proceed with the new terminal's parking plan in subsequent years will be easier to identify.

Directors said they looked forward to receiving and incorporating the public feedback on the proposed Richmond fare structure that will be gathered during the open comment period. It was noted that the fare structure could be modified once that feedback has been received and reviewed if Directors so decide.

Director Intintoli made a motion to approve the item.

Director DelBono seconded the motion and the item carried unanimously.

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

12. CITY OF ALAMEDA FUNDING REQUEST FOR SEAPLANE LAGOON PROJECT

Mr. Connolly presented this general discussion item regarding a funding request from the City of Alameda for the Seaplane Lagoon Project. He reminded the Board of the Memorandum of Understanding that had been adopted by Directors in April to support its partnership and clarify its role in the planned Seaplane Lagoon Ferry Terminal and future service. Mr. Connolly referred Directors to a June 7 letter from Alameda Acting City Manager Elizabeth Warmerdam asking that WETA contribute \$2M, which is half of a \$4M funding gap, to the future Seaplane Lagoon Ferry Terminal project. It was noted that the other \$2M was to be provided from the City of Alameda general fund.

PUBLIC COMMENT

Alameda Naval Base Reuse Director Jennifer Ott and Alameda Vice Mayor Malia Vella spoke in support of the funding request for a WETA commitment of the final \$2M needed for the project. Ms. Ott provided background and a status update on the project, and she emphasized that the Site A development has historically been, and is still perceived and treated as, a City project. She noted that there had been significant cost escalations for the project since initial estimates and she explained that these were caused primarily by changes in the scope related to upgrading the 70 year old basic underground utilities infrastructure to support the project's planned housing and commercial structures. Ms. Ott said that, as an example, because of the current configuration of the primary sewer line at the site, a huge investment will be required to extend that line to Site A. Ms. Ott also noted that developers will not see any return on their equity financing in the project until Phase Two, and it was noted that there had been myriad challenges and setbacks endured by the City in its efforts to secure development partners for the base redevelopment. Ms. Ott added that the requested final \$2M may not be needed in the end, but it was needed to assure the project can move forward with ample funding for the revised estimates.

The Board asked if project developers had been given the opportunity to provide the other \$2M for the funding gap and Ms. Ott said yes, and explained that the developers had already set aside \$10M to support terminal construction as part of their initial project agreement. She offered that representatives from the development team were in attendance at the meeting and could speak to the question directly.

PUBLIC COMMENT

Trammell Crow Residential Northern California Managing Director Bruce Dorfman explained that Trammell Crow is the manager of Alameda Point Partners. Mr. Dorfman explained that the planned Alameda Point ferry service had been the game changer in Trammell Crow's decision to partner on the Phase One development of Site A with the City of Alameda. He said that the planned ferry service to support the development had been so compelling that Trammell Crow made the \$10M ferry funding commitment as part of the agreement to undertake the project. He said Trammell Crow's hope at the time of the initial Request for Proposals bid was that the \$10M would provide ample funding to support terminal construction. He said it was surprising that it is not enough funding to complete the terminal, but acknowledged that the overall infrastructure costs for the project's 68 acres have also escalated significantly since the initial 2014 estimates. Mr. Dorfman explained that the first phase of the Site A project will include 420 market rate apartments, 130 for-sale townhomes, 100,000 square feet of retail and maker space, and 130 affordable residential units. He emphasized that all of the capital to support this plan had been predicated on having the ferry service at Alameda Point, and he urged the Board to provide the final \$2M funding commitment needed for the ferry terminal. Finally, he noted that it was Trammell Crow's objective to support a property tax that will pay for a ferry shuttle and other transportation enhancements to support the base redevelopment.

Ms. Rannells noted that the agreement between the City of Alameda and WETA provided for WETA to assume control and ownership of the waterside portion of the new Seaplane Lagoon ferry terminal. Directors discussed the importance of assuring that WETA will have exclusive use of the facility to provide its ferry services to the public. Ms. Rannells noted that WETA's Alameda Main Street service has some parking and capacity limitations that the new service planned for Seaplane Lagoon is

expected to mitigate. She said the new service was built into WETA's 20 year Strategic Plan and was integral to the agency's expansion objectives.

Directors expressed interest in partnering further with Alameda developers who hold land around WETA terminals, such as an empty lot owned by Joe Ernst that could possibly be opened up for use by Harbor Bay ferry riders, as part of this additional funding request discussion. Ms. Ott said the City was open to exploring that and she would follow-up and report back to Directors on her efforts.

It was noted that if a lawsuit was not currently a potential threat to Regional Measure 3 - passed recently by voters to provide more public transit funding, including for WETA's public transit ferries - it would be easier to support the funding request. Because WETA does not presently have an abundance of funds in reserve to prudently decide on the matter without further and more detailed consideration, Directors agreed that the decision would be agendaized as an action item for the September Board meeting.

PUBLIC COMMENT

Ms. Ott noted that if the Board does decide to provide the final \$2M commitment, those funds would be the "last money in" and subsequently the first to be returned if ultimately unused or only partially required. She said the float procurement process and in-water work window schedule for the terminal require moving forward the first week of September at the very latest if the planned 2020 service start date is to be met.

13. REGIONAL MEASURE 3 PROGRAM AND PLAN UPDATE

Mr. Connolly presented this informational item that provided Directors with a program and plan overview for use of anticipated funds resulting from Regional Measure 3, passed by Bay Area voters in the June 2018 election. He explained that staff was having regular meetings with MTC in its efforts to develop and adopt a capital program and expenditure plan that includes systemwide and route-specific performance measures related to fare box recovery, ridership and any other measures as deemed appropriate by WETA in its consultations with MTC.

Directors expressed interest in reviewing MTC's performance measures for WETA, and noted that WETA will now need to provide MTC with future capital needs funding objectives, something that the agency has not been required to do in the past because funding has not historically been funneled through MTC for WETA's capital projects. A ten year plan was noted as being the desirable framework for how far out planning should project.

PUBLIC COMMENT

Redwood City Port Commission Vice Chair Lorianna Kastrop introduced the newly appointed Port Commission Executive Director Kristine Zortman. Ms. Kastrop expressed concern about seeing that WETA has plans to enhance existing ferry service in South San Francisco before it brings ferry service to Redwood City. She said that funds had been set aside for a new Redwood City ferry service by the San Mateo County Transportation Authority but not for a South San Francisco ferry enhancement.

Mr. Connolly explained that ferry service for Redwood City is an important objective in WETA's expansion plans and still on track for a 2025 target date. He said that timeline is based on the 5-7 years it generally takes to develop a project, and he added that San Mateo has already set aside \$7M for the planned enhancement at Oyster Point because of the expectation that the South San Francisco service will max out in 2024 without this enhancement. Mr. Connolly said that when a service does max out, WETA's objective is to mitigate or resolve the service capacity challenges with a service enhancement under current WETA policy. He noted that the soonest it currently makes sense that service could begin in Redwood City would be 2025, and he asked that if there are ideas for accelerating the process for that, that they be shared in detail with Directors.

Mr. Connolly and Ms. Rannells explained that staff expects to return to the Board with a draft RM3 funding plan for discussion and consideration in the coming months, with the benefit of further guidance from MTC on their application requirements and timeframe for considering funding requests given the pending litigation on the measure..

14. STATUS REPORT ON STUDY FOR POTENTIAL WETA SMALL VESSEL OPERATIONS

Mr. Connolly presented this informational item on the status of the Small Vessel Study Committee that to date has met twice. He said the Committee would continue to further define its objectives as it solicits stakeholder feedback, and he emphasized that the study will be well served to ask for comments from agency partners, private operators, and any others who might be interested in smaller vessel use. He said the Committee's focus has been on how smaller vessels might enhance, supplement and/or complement existing WETA service during periods of low demand and in areas where larger vessels may not be ideal. He further noted that future service routes such as Treasure Island and an Embarcadero waterfront water taxi style route may also qualify as excellent possibilities for smaller vessel utilization.

Committee member Directors Intintoli and Josefowitz said their objective for the Committee is to be able to return to the Board with findings that Directors can use to decide whether further study beyond this initial quick information gathering process might be beneficial. Directors agreed that it could be helpful to have a list included in the findings of the communities throughout the Bay Area who have expressed interest in future ferry service, or those areas that could obviously benefit from a water transportation connection to San Francisco. Directors also agreed that it was very important to avoiding making promises that could not be kept and that at least initially, such a list would be informational only and used to inform the committee's work.

PUBLIC COMMENT

Representing Bike Walk Alameda, Pat Potter said she wants the Board to strongly consider a roll-on/roll-off, bicycle and pedestrian-friendly style ferry at Harbor Bay or for the Alameda Point service, similar to Amsterdam ferries, that you can just ride your bike straight into.

PUBLIC COMMENT

Ms. Ott spoke on behalf of the City of Alameda in favor of the Committee's ongoing efforts.

15. UPDATE ON POLICY DEVELOPMENT FOR PRIVATE FERRY LANDINGS AT WETA FACILITIES

Ms. Rannells presented this update on policy development for private ferry landings at WETA facilities, which included draft guidelines based on the extensive input Directors provided on the topic at the June 7 meeting. Ms. Rannells explained that these proposed guidelines, along with any additional input provided, would be incorporated into a policy for Board consideration at the September meeting.

Ms. Rannells also clarified that the City of Alameda's legal counsel confirmed that the City has an approval role to play in authorizing the use of the Harbor Bay facility for non-WETA services. She said that Harbor Bay Isle Associates, the legal property owner, has granted landing rights to the City which subsequently granted landing and use rights to WETA. She said the City has asked that WETA's Board hear any requests for landings at Harbor Bay first, and if approved, that the request would be taken up by the Alameda City Council.

Ms. Rannells said she and other staff had had an opportunity to ride the Genentech vessel operated by PropSF over to Berkeley and learn more about their service and operation. She explained that the private operators primarily land in private marinas with small boat slips that fit their vessels, and that this works for their business model. Ms. Rannells said that the smaller facilities traditionally found in marinas accommodate smaller private vessels very well, and she added that there is no such marina near

Harbor Bay and this was driving Tideline's request to land at WETA's Harbor Bay facility. She noted that this facility is not ideally suited for Tideline's smaller vessels, and that Tideline was continuing its work to design and construct vessel modifications that meet Coast Guard safety and stability requirements and that can match up with WETA's Harbor Bay facility.

Vice Chair Wunderman said that there were companies in the Bay Area experiencing growth explosions unlike anything ever seen historically. He said it was not inconceivable that sometime in the near future a company like Genentech or Facebook could purchase a fleet of vessels that look very similar to WETA's fleet and those vessels are going to need a place to land. Vice Chair Wunderman added that this could be a very good thing because the ultimate objective is to get people out of their cars to reduce traffic congestion and vehicle emissions. He noted that 60,000 vehicle trips had been removed from Bay Area roads with the addition of the tech shuttles.

Chair Breckenridge departed the meeting at 4:46 p.m.

Director DelBono asked if there would be a process to support appeals if an entity's request to privately land at a WETA facility is not granted and the Board's legal counsel, Madeline Chun of Hanson Bridgett, said that concerns can always be brought before the Board to be heard. She added that it was also possible to build in a more formal process into each Agreement.

It was agreed that the presented guidelines that will be used as the basis to formulate the private ferry landing and use of WETA facilities policy were strong and reasonable. The importance that any entity being granted rights to land at WETA facilities maintain the same safety, customer service, employee living wage and positive relations, and accessibility standards provided to the public by WETA and its contract operator, Blue & Gold Fleet, was reiterated.

PUBLIC COMMENT

Tideline President Nathan Nayman thanked Directors and Ms. Rannells for working with Tideline on its Harbor Bay landing request. He thanked the City of Alameda, the City of Alameda's attorney's office, as well as Ms. Ott. Mr. Nayman said there have been some delays getting all of the required approvals to move forward with Tideline's plan to land at the Harbor Bay Ferry Terminal but noted that the work continued. He explained that Tideline had reached out to Topper Industries with a design and plan to have them fabricate an aluminum gangway that will match the Tideline vessel up perfectly to WETA's Harbor Bay facility. Mr. Nayman said an approval in the form of a Certificate of Inspection was expected from the U.S. Coast Guard the following week and that all required insurance had been secured.

Mr. Nayman further explained that Tideline had entered into an employment agreement with Masters, Mates & Pilots (MM&P) and subsequently learned that MM&P and the Inlandboatmen's Union of the Pacific (IBU) had signed a new agreement which would affect the Tideline agreement. He said that another meeting had subsequently taken place between Tideline's Chief Executive Officer, MM&P and IBU, and a finalized Memorandum of Understanding with IBU was in the final stages. Mr. Nayman said he wanted to assure Director DelBono that all labor on Tideline vessels will be harmonious, and that Tideline will have secured the exact same contract terms that WETA currently has for Blue & Gold Fleet employees. He said that he had submitted documents related to Tideline's random drug and alcohol testing program to Ms. Rannells.

Mr. Nayman said that Tideline is not interested in competing with anyone, including WETA. He said Tideline is in negotiations with Napa officials to bring people from Napa to the Vallejo WETA terminal so they can take the WETA ferry into the city. He said it is Tideline's agenda to enhance and supplement existing ferry service on the bay, to provide water transportation in underserved areas where possible, and to get people out of their vehicles. He added that all ridership information will be shared with WETA if Tideline is granted landing rights at the Harbor Bay WETA terminal.

PUBLIC COMMENT

Exelixis Executive Vice President of Business Operations Dana Aftab said he had been asked to provide feedback on employee accessibility needs. He said the company has a very small employee base with only 200-250 people who commute to work each day and that none of these employees are mobility impaired. Mr. Aftab added that Exelixis already offers its employees five different commute support options, and he said that the Tideline private ferry service contract would be another option to add to that list. Mr. Aftab thanked Directors, and said he was especially thankful to WETA staff after seeing how much work was required in the consideration of the Tideline/Exelixis request. Mr. Aftab added that the amount of work that WETA staff manages blows his mind.

PUBLIC COMMENT

Prop SF Director of Client Development and Business Operations Alex Kryska said he had given a presentation on ferry service out of Cooley Landing in East Palo Alto recently. He said he agreed with Ms. Rannells's comment regarding smaller vessels landing in marinas and not always fitting up perfectly at larger terminals, and said Prop SF primarily operates out of marinas. He noted that a Prop SF vessel was also now landing at the Port of San Francisco's Gate B regularly and successfully, and that Prop SF had recently participated in a San Francisco Airport emergency response exercise out on the bay. Mr. Kryska said he supported the proposed guidelines as presented, and emphasized the importance of the high bar being set in the process of considering Tideline's landing request. Mr. Kryska added that he felt it was also paramount to include a verifiable historical record of past performance out on the bay - reflecting a stellar safety record - as a requirement for entities wanting to use WETA facilities.

PUBLIC COMMENT

Ms. Ott said that the City of Alameda was ready to review the landing request if and when appropriate after the WETA Board's decision on the matter.

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

Ms. Ott said the City of Alameda was in favor of charging for parking at the Harbor Bay Terminal and was looking at options for parking at the Alameda Main Street Terminal. She said the City wants to pave the dirt lot but has been persistently challenged in securing the grant money to do so.

All business having been concluded, the meeting was adjourned at 4:56 p.m.

- Board Secretary

END