

Members of the Board

Jody Breckenridge, Chair
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Nicholas Josefowitz
James Wunderman, Vice Chair

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, January 10, 2019 at 11:00 a.m.
Craneway Skyway & Conference Center
1414 Harbour Way South, Marina District at Ford Point
Second Floor
Richmond, CA 94804**

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

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 – December 13, 2018
 - b. Approve Actions Related to Downtown San Francisco Ferry Terminal Expansion Project Enhancements
 - c. Approve Amendment to Agreement with FOTH Infrastructure & Environment, LLC to Provide Additional Engineering and Construction Management Services for the Ferry Terminal Dredging Projects
7. OVERVIEW OF SMALL VESSEL EXPLORATORY STUDY *Information*
8. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

Water Emergency Transportation Authority
January 10, 2019 Meeting of the Board of Directors

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: January 10, 2019
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 MV *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*, was placed into revenue service in June 2018. Work continues on the fourth vessel, the MV *Carina*. December work included vessel relaunch, dockside commissioning, United States Coast Guard (USCG) inspection and builder's trials. Owner's acceptance trials will be conducted January 8-11. The MV *Carina* is scheduled for completion at the shipyard and transit to San Francisco in late January 2019.

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. Main engine exhaust emissions testing was 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. MV *Pyxis* was launched on October 6. Systems testing and dock trials were conducted in December. Owner's acceptance trials are scheduled for early January. Delivery of MV *Pyxis* vessel to Vallejo is projected to occur in late January 2019. 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 was laid.

New Commuter Class Vessel

In December 2017, the Board of Directors approved a release of a Request For Proposals (RFP) to procure a mid-sized high-speed 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 October 4, 2018, the Board of Directors approved award of a contract for the vessel to Mavrik Marine, Inc. for this vessel. Design and engineering work is well underway. Keel laying and construction commenced on 18 December.

Central Bay Operations and Maintenance Facility

This project constructed 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 was led by Overaa/Power, a Joint Venture, and construction management was provided by 4Leaf, Inc. The project is largely complete. Blue & Gold has moved all WETA Central Bay vessel operations and administrative staff to the new facility. Facility and system modifications and final move-in details remain and will continue to be addressed as Blue & Gold settles into this new facility and operating environment. An opening ceremony was held on December 13, 2018 at the the new facility.

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, now Jacobs Engineering.

Construction began in February 2017 and is scheduled to be fully completed by January 2020. On December 20, a major milestone occurred with the opening of Gate G for riders of the Alameda/Oakland service. The transition went smoothly. Gate F is scheduled to open in January for riders of the Harbor Bay and Richmond services. After both Gates F & G are open, the contractor will proceed with reconstruction of Gate E and completion of the north side of project. WETA will continue to notice passengers prior to the service transitions and will provide on-site assistance to help passengers queue at the new gates.

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 consists of replacing an existing facility (float and gangway) and the expansion and upgrading of an existing surface parking lot. 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 (CCTA) in March 2015.

Project dredging and pile removal was completed in October 2017 and waterside pile installation was completed in November 2017. Construction of the landside improvements

commenced in February 2018 and will be completed in January 2019. Service is scheduled to begin on Thursday, January 10, 2019 with a ribbon cutting ceremony and launch celebration that afternoon at the site.

Terminal Dredging

At the August 2018 Board meeting a contract was awarded to the Dutra Group for South San Francisco Ferry Terminal dredging at the Oyster Point Marina. The BCDC permit for this project was delayed beyond the anticipated start date, causing work to extend beyond the normal dredge window. Work is now underway but has been slowed by weather conditions.

At the September Board meeting a contract was awarded to R.E. Staite for dredging and float and gangway rehabilitation work at the Vallejo Ferry Terminal. Dredging has been completed and related gangway and float work is expected to be completed in January.

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. 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 Regional Measure 3 (RM3) funding to support project construction, estimated to cost approximately \$40 million.

Oakland Athletics Howard Terminal Stadium Proposal

WETA staff has met with the Oakland Athletics organization and the Howard Terminal stadium development team. Discussions thus far have been high level and have not been detailed to the point of developing service plans or evaluating infrastructure needs. However, WETA staff will be an active participant in the project transportation discussions moving forward and will submit comments during the scoping phase for the anticipated Environmental Impact Report.

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. 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. 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.

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 \$8.2 million from the Alameda County Transportation Commission for the

terminal and has recently committed \$2 million from City general funds. In August 2018, the WETA Board of Directors authorized a commitment of \$2 million to the project to close a funding gap and keep the project on schedule for an early 2020 opening. WETA staff is working to support City of Alameda efforts to move this project to construction and anticipates continuing in a consultative and support role during construction.

Redwood City Ferry Terminal

WETA prepared a draft Redwood City ferry terminal site feasibility report 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 a ferry project that could potentially be developed in phases given existing funding limitations. The project concept shifted 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.

In an effort to jump-start a regional conversation on the Redwood Ferry service, Board Chair Breckenridge, 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 was 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 is now leading an effort to prepare a Financial Feasibility Study and Cost Benefit Analysis Report for the Redwood City Ferry Terminal Construction and Service utilizing \$450,000 in San Mateo County Measure A transportation sales tax funds. As a part of this study, they will be entering into an agreement with the San Mateo County Transportation Authority to develop and adopt the Feasibility Study and Business Plan. The feasibility will be completed in approximately 12 months. Concurrent with this activity, Redwood City, Port of Redwood City and WETA staff are working to develop a draft MOU for future Board consideration that defines agency roles and responsibilities for working together to advance the terminal planning and development.

Berkeley Ferry Terminal

The proposed Berkeley service will provide an alternative transportation link between Berkeley and downtown San Francisco. In past years, staff worked to develop a draft environmental assessment for a project to build a new ferry terminal and service in Berkeley at a site just south of the Berkeley Fishing Pier. This work was ultimately suspended due to extraordinary mitigation measures required by National Marine Fisheries related to project dredging and due to the lack of full funding for project construction and operation; a prerequisite to Federal Transit Administration (FTA) completion of the federal environmental process (NEPA).

City of Berkeley staff recently initiated a study to explore strategies for rebuilding the city's Municipal Fishing Pier, including a concept for a dual-use pier facility that would serve as both a ferry terminal and public access space. This study seeks to address issues related to not only the City's loss of public access to waterfront, but also conflicts that have emerged with the operation of private ferry service within the Berkeley Marina. The study was not originally scoped to consider WETA as the primary ferry service operator; however, both City and WETA

staff have expressed a mutual interest in expanding the study to do so. Staff is currently working with their respective counsels to draft an MOU that would define a partnership between the parties for expanding the City's ferry study and pursuing further development of the project, should a feasible concept be identified. Execution of the MOU would require approval by both the WETA Board and the Berkeley City Council.

Treasure Island Service

This project - which will be implemented by the Treasure Island Development Authority (TIDA), the San Francisco County Transportation Authority (SFCTA), 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. SFCTA recently announced that it is hoping to advance the opening of the new ferry service from 2023 to 2021.

WETA staff has worked with City of San Francisco staff over the years to support development of this project. Staff will include a Board briefing and discussion on the status of the Treasure Island ferry service at an upcoming Board meeting in 2019.

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 reciprocal 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 working with the City in 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 can be used to guide the development of a specific paid parking program for the Harbor Bay Terminal site. Staff has recently asked City of Alameda staff to confirm that there is still interest in paid parking at Harbor Bay and how this would be integrated into the City's overall plans for parking at the other two terminals in Alameda once Seaplane Lagoon is operational in 2020.

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 in May 2016. In addition to the parking

improvements, 20 bicycle lockers were installed at the Main Street terminal in February 2016. Staff has since shifted focus to identify additional access improvement possibilities - such as buses, shuttles, bicycles, and pedestrian improvements - after the parking improvements were underway, and has 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.

WETA recently submitted a letter of support for a City of Alameda proposal to restripe Main Street to allow for Class 2 bike lanes, narrowing vehicular lanes from four to three. The proposal is intended to improve bicycle access and overall safety for ferry commuters accessing the terminal.

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 by the end 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 four occasions to initiate study of small vessels as a complement to WETA's service. The Advisory Committee consists of Board members Josefowitz and Intintoli, and a transportation consultant, ARUP, has been engaged to perform the analysis. Staff has also convened and met with a Technical Advisory Committee (TAC) to solicit input on the project and held meetings with individual stakeholders. An item to discuss the small vessel study work is included on the January 10 WETA Board of Director's 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. The following emergency response related activities are currently underway:

- Staff is continuing to work on ordering emergency communications equipment for the Central Bay Operations & Maintenance Facility, and is developing a functional layout for converting the conference room into an Emergency Operations Center (EOC) during an event requiring EOC activation.
- On December 5, the CBOMF hosted K9 training on board moored ferry vessels. Participating agencies included the USCG, BART Police, Alameda Police, Oakland Police and WETA's contract operator Blue & Gold Fleet.
- On December 6, the CBOMF hosted Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) and Active Shooter training dockside aboard a WETA ferry. Participating agencies included the USCG, Department of Homeland Security, Federal Bureau of Investigation, Lawrence Livermore Lab and WETA's contract operator Blue & Gold Fleet.

OPERATIONS REPORT

Monthly Operating Statistics - The Monthly Operating Statistics Report for November 2018 is provided as **Attachment A**.

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On December 10, Thomas Hall led a meeting of the Richmond Ferry Marketing Task Force to discuss updates on the marketing plan for the new service.

On December 14, Nina Rannells and Mike Gougherty attended the 56th Annual Holiday Moose Feed Luncheon sponsored by the San Francisco Building and Construction Trades Council and the Northern California Carpenters Regional Council.

On December 18, Thomas Hall met with representatives from the City of Richmond to discuss plans for a Richmond ferry launch celebration.

During the week of December 17, Nina Rannells, Keith Stahnke and Tim Hanners visited Kvichak Marine/Vigor, Mavrik Marine and Dakota Creek Industries, Inc. shipyards in Washington state to review the status of WETA vessels under construction.

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 RM3 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 followed by additional \$1 increases in January 2022 and January 2025. This measure has been challenged by two lawsuits that are currently pending in the Superior Court in the City and County of San Francisco.

On January 1, 2019 BATA began collecting the first dollar of the approved toll increase. Toll revenues collected will be placed into an escrow account and will not be allocated to project sponsors until the lawsuits are settled.

END

Attachment A

Monthly Operating Statistics Report November 2018

		Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo	Systemwide	
Boardings	vs. last month	Total Passengers November 2018	85,881	27,394	11,097	72,053	196,425
		Total Passengers October 2018	132,594	33,702	13,712	98,205	278,213
		Percent change	-35.23%	-18.72%	-19.07%	-26.63%	-29.40%
	vs. same month last year	Total Passengers November 2018	85,881	27,394	11,097	72,053	196,425
		Total Passengers November 2017	88,675	26,421	11,428	75,058	201,582
		Percent change	-3.15%	3.68%	-2.90%	-4.00%	-2.56%
	vs. prior FY to date	Total Passengers Current FY To Date	648,342	151,090	61,803	489,865	1,351,100
		Total Passengers Last FY To Date	601,322	140,753	60,063	469,442	1,271,580
		Percent change	7.82%	7.34%	2.90%	4.35%	6.25%
Avg Weekday Ridership November 2018		3,417	1,370	555	3,040	8,381	
Ops Stats - November 2018	Passengers Per Hour	129	183	85	119	126	
	Revenue Hours	668	150	130	607	1,555	
	Revenue Miles	9,517	2,873	2,142	18,433	32,966	
	Farebox Recovery	52%	46%	37%	57%	53%	
	Cost per Available Seat Mile	\$0.30	\$0.38	\$0.58	\$0.29	\$0.33	
	Average peak hour utilization, AM	61%	81%	47%	87%	69%	
	Average peak hour utilization, PM	68%	80%	54%	94%	74%	
Fuel - November 2018	Fuel Used (gallons)	46,088	12,226	9,086	127,154	194,554	
	Avg Cost per gallon	\$2.66	\$2.66	\$2.66	\$2.65	\$2.65	

MEMORANDUM

TO: Board Members

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

SUBJECT: Monthly Review of FY 2018/19 Financial Statements for Five Months Ending November 30, 2018

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2018/19 Financial Statements for five months ending November 30, 2018.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenues	\$9,041,146	\$9,433,167	\$9,819,119
Bridge Toll Revenues	6,550,458	8,811,792	6,746,290
Other Revenues	600	303,333	6,300
Total Operating Revenues	\$15,592,204	\$18,548,292	\$16,571,710
Expenses - Year To Date:			
Planning & Administration	\$632,715	\$1,250,000	\$799,943
Ferry Services	14,959,489	17,298,292	15,771,767
Total Operations Expenses	\$15,592,204	\$18,548,292	\$16,571,710
System-Wide Farebox Recovery %	60%	55%	62%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2018/19 Budget
Revenues:		
Federal Funds	\$7,292,315	
State Funds	31,604,751	
Bridge Toll Revenues	7,411,635	
Other Revenues	407,236	
Total Capital Revenues	\$46,715,937	40.03%
Expenses:		
Total Capital Expenses	\$46,715,937	40.03%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Area Water Emergency Transportation Authority
FY 2018/19 Statement of Revenues and Expenses
For Five Months Ending 11/30/2018

% of Year Elapsed 42%

	Nov-18 Actual	Year - To - Date			Total FY2018/19 Budget	% of Total Budget
		FY2017/18 Actual	FY2018/19 Budget	FY2018/19 Actual		
OPERATING EXPENSES						
<u>PLANNING & GENERAL ADMIN:</u>						
Wages and Fringe Benefits	\$105,236	\$414,901	\$646,583	\$490,966	1,551,800	31.6%
Services	54,655	320,290	569,750	351,606	1,367,400	25.7%
Materials and Supplies	12,922	9,164	75,208	13,934	180,500	7.7%
Utilities	5,482	13,313	17,125	18,301	41,100	44.5%
Insurance	-	1,201	11,792	1,200	28,300	4.2%
Miscellaneous	10,362	17,435	130,333	54,653	312,800	17.5%
Leases and Rentals	32,379	153,917	161,958	157,549	388,700	40.5%
Admin Overhead Expense Transfer	(57,631)	(297,506)	(362,750)	(288,266)	(870,600)	33.1%
Sub-Total Planning & Gen Admin	\$163,406	\$632,715	\$1,250,000	\$799,943	3,000,000	26.7%
<u>FERRY OPERATIONS:</u>						
<u>Harbor Bay FerryService</u>						
Purchased Transportation	\$201,301	\$719,498	\$950,000	\$985,945	2,280,000	43.2%
Fuel - Diesel & Urea	32,547	154,910	253,125	205,930	607,500	33.9%
Other Direct Operating Expenses	42,899	149,246	313,500	223,462	752,400	29.7%
Admin Overhead Expense Transfer	7,114	37,622	42,000	35,571	100,800	35.3%
Sub-Total Harbor Bay	\$283,862	\$1,061,276	\$1,558,625	\$1,450,908	3,740,700	38.8%
Farebox Recovery	46%	60%	45%	50%	45%	
<u>Alameda/Oakland Ferry Service</u>						
Purchased Transportation	\$613,200	\$3,686,089	\$3,889,750	\$3,821,616	9,335,400	40.9%
Fuel - Diesel & Urea	122,690	634,946	839,125	789,157	2,013,900	39.2%
Other Direct Operating Expenses	127,364	491,108	1,058,000	776,490	2,539,200	30.6%
Admin Overhead Expense Transfer	25,419	128,874	159,792	127,992	383,500	33.4%
Sub-Total Alameda/Oakland	\$888,673	\$4,941,017	\$5,946,667	\$5,515,255	14,272,000	38.6%
Farebox Recovery	52%	65%	56%	65%	56%	
<u>Vallejo FerryService</u>						
Purchased Transportation	\$764,663	\$4,795,970	\$4,973,375	\$4,480,099	11,936,100	37.5%
Fuel - Diesel & Urea	336,905	1,784,935	2,395,000	2,250,563	5,748,000	39.2%
Other Direct Operating Expenses	113,846	883,159	827,250	613,067	1,985,400	30.9%
Admin Overhead Expense Transfer	21,314	110,672	131,042	106,896	314,500	34.0%
Sub-Total Vallejo	\$1,236,727	\$7,574,736	\$8,326,667	\$7,450,626	19,984,000	37.3%
Farebox Recovery	57%	63%	58%	68%	58%	
<u>South San Francisco FerryService</u>						
Purchased Transportation	\$170,740	\$1,046,083	\$1,000,000	\$984,955	2,400,000	41.0%
Fuel - Diesel & Urea	24,186	146,087	240,500	156,437	577,200	27.1%
Other Direct Operating Expenses	33,662	169,952	207,708	195,780	498,500	39.3%
Admin Overhead Expense Transfer	3,784	20,338	18,125	17,807	43,500	40.9%
Sub-Total South San Francisco	\$232,372	\$1,382,460	\$1,466,333	\$1,354,978	3,519,200	38.5%
Farebox Recovery	37%	32%	36%	33%	36%	
Total Operating Expenses	\$2,805,041	\$15,592,204	\$18,548,292	\$16,571,710	\$44,515,900	37.2%
OPERATING REVENUES						
Fare Revenue	\$1,389,061	\$9,041,146	\$9,433,167	\$9,819,119	22,639,600	43.4%
Regional - Bridge Toll	1,415,079	6,550,458	8,811,792	6,746,290	21,148,300	31.9%
Regional - Alameda Tax & Assessment	-	-	303,333	-	728,000	0%
Other Revenue	900	600	-	6,300	-	0%
Total Operating Revenues	\$2,805,041	\$15,592,204	\$18,548,292	\$16,571,710	\$44,515,900	37.2%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2018/19 Statement of Revenues and Expenses
For Five Months Ending 11/30/2018

Project Description	Nov-18 Total	Total Project Budget	Total Prior Expense	Total FY2018/19 Budget	Total FY2018/19 Expense	Total Future Year	% of Total Project Budget Spent
CAPITAL EXPENSES:							
FACILITIES:							
Terminal Construction							
Downtown Ferry Terminal Expansion - South Basin	3,922,991	\$97,965,000	\$46,780,727	\$34,556,273	\$19,124,692	\$16,628,000	67%
Richmond Ferry Terminal	1,274,846	21,000,000	11,134,262	9,865,738	6,858,596	-	86%
Maintenance and Operations Facilities							
Ron Cowan Central Bay Operations & Maintenance Facility	51,525	69,500,000	60,723,722	8,776,278	2,241,532	-	91%
Terminal Improvement							
Terminal Dredging - Vallejo and South San Francisco	692,061	5,100,000	106,999	4,993,001	801,889	-	18%
FERRY VESSELS:							
Vessel Construction							
445-Pax Replacement Vessel - M/V Vallejo	749,920	23,372,000	12,443,000	10,929,000	6,307,787	-	80%
445-Pax Expansion (Waterjet) Vessels - 2 vessels	621,951	46,745,000	15,557,743	20,187,257	4,756,500	11,000,000	43%
400-Pax Expansion (Propeller) Vessels - 2 vessels	28,182	33,400,000	26,533,692	6,866,308	3,137,105	-	89%
New Commuter Class High-Speed Vessel	1,240,786	15,300,000	93,374	9,106,626	1,376,454	6,100,000	10%
Vessel Rehabilitation and Refurbishment							
Vessel Mid-Life Refurbishment - M/V Peralta	877,476	5,117,000	2,929,906	2,187,094	2,024,295	-	97%
Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island	1,913	3,000,000	-	1,500,000	2,512.50	1,500,000	0%
Vessel Qtr-Life Refurbishment - M/V Scorpio	4,851	2,500,000	-	2,500,000	11,871	-	0%
Vessel Engine Overhaul - M/V Taurus	261	800,000	-	800,000	261	-	0%
Vessel Service Life Extension - M/V Solano	17,848	13,000,000	-	3,375,000	29,123	9,625,000	0%
CAPITAL EQUIPMENT / OTHER:							
CCTV Install and Network Intergration - East Bay Terminals	-	400,000	-	400,000	-	-	0%
Purchase Service Vehicles	43,319	500,000	27,088	472,912	43,319	-	14%
Purchase Selective Catalyst Reduction (SCR) System	-	200,000	-	200,000	-	-	0%
Total Capital Expenses	\$9,527,931	\$337,899,000	\$176,330,514	\$116,715,486	\$46,715,937	\$44,853,000	
CAPITAL REVENUES:							
Federal Funds	\$1,863,125	\$79,920,140	\$33,033,731	\$37,986,409	\$7,292,315	\$8,900,000	50%
State Funds	6,342,533	201,533,450	112,665,044	61,852,046	31,604,751	27,016,360	72%
Regional - Bridge Toll	1,145,805	53,222,010	29,605,664	14,899,706	7,411,635	8,716,640	70%
Regional - Alameda Sales Tax Measure B / BB	176,467	1,723,400	586,075	1,137,325	407,236	-	58%
Regional - Alameda TIF / LLAD	-	400,000	-	400,000	-	-	0%
Regional - San Francisco Sales Tax Prop K	-	1,100,000	440,000	440,000	-	220,000	40%
Total Capital Revenues	\$9,527,931	\$337,899,000	\$176,330,514	\$116,715,486	\$46,715,937	\$44,853,000	

TO: WETA Board Members

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

SUBJECT: WETA Federal Legislative Board Report – January 2019

Crystal Ball?

This monthly report is challenging, as it is being written at the end of 2018 in the midst of the government shutdown, while you will be reading it during the second week of January, when we expect/hope the funding to keep the government running will have been restored. But what the compromise that will allow funding to pass will look like, is impossible to know at this point. By the time of the Board Meeting, it should be clearer. Following is our perspective during the last week of 2018:

A usually quiet December turned out to be extremely active. Congress returned for the lame-duck session with energy to pass the Appropriations bills necessary to keep the Federal government running. However, the inability to resolve deep differences over funding of the so-called “Wall”, prevented passage of those spending measures. Usually, at this point, Congress would pass a Continuing Resolution, to simply continue spending at the levels already established for the previous fiscal year. Such CR’s are generally substantively non-controversial, as they simply extend the status quo. But when some Members of Congress insist on using the CR as a legislative vehicle for additional, new provisions, the consensus breaks down. We have seen this happening during December, as adding funding for the so-called “Wall” has become a lightning rod, with strong feelings both pro and con. Inability to resolve this, to get the votes to pass a CR with or without the additional Wall funding, led to the shutdown. Unfortunately this is becoming an all-too-regular routine, under every President.

2019 – The Year of Infrastructure – Laying the Groundwork for Ferries

Nonetheless, there is expectation that in coming months Congress will turn to infrastructure, including transportation – highways, bridges, transit. It would increase funding for all infrastructure and for the agencies of concern to WETA, namely Federal Transit Administration and Federal Highway Administration.

There will be, of course, competition among the many transportation modes; not only between highways and transit, but among the various transit modes: light rail, buses, and ferries. We have been laying the groundwork, focused upon gaining an increased share of federal transportation funding directed to ferryboats. We believe, together with other public ferry systems, that ferry transit is not receiving its fair share of funding, relative to rapid transit, buses, subways, etc. We have been meeting with other members of the public ferry coalition to lay the groundwork with the house transportation and infrastructure committee and the Senate environment and Public Works committee, for a reasonable share of what we believe will be a massive increase in transportation infrastructure funding when Congress returns in January. We

meet regularly with the incoming chairman of the Transportation and Infrastructure committee Peter DeFazio and his staff regarding prioritization of ferry funding.

Earmarks Coming Back?

Frankly, we hope so. Through 'earmarks' written into Appropriations bills, Congress has traditionally allocated spending to specific projects and recipients. In 2008 it was felt that earmarks were politically motivated, sending federal funds to favored projects/constituents of Members of Congress, and not for "the greater good". So earmarks were discontinued, and project selection turned over to Executive Branch agencies. As we have learned, this hasn't prevented politics from determining priorities. First, instead of Congressional politics, projects became subject to White House politics, often favoring constituencies of the President. Second, ending earmarks did not prevent powerful members of Congress (generally of the same party as the occupant of the White House) from having a role, via "phone marks". Many in Congress chafed under the "no earmarks" rule, realizing they had effectively given away their Constitutional "power of the purse".

The press hasn't picked this up (yet), but it is quite likely that the new Congress will reinstate earmarks. This could motivate Congress to move forward with the long-awaited infrastructure bill, as Members of Congress could direct the infrastructure funding where they felt most appropriate and would be most needed and appreciated by constituents.

For WETA, this would be a positive development, as our SF Bay Congressional Delegation, all members of the incoming House Majority, gains substantial legislative clout. Further, our "WETA Congressional Delegation", comprised of Bay Area Senators and Congress people as well as Members from states where WETA boats are built, is ready to go to bat for WETA funding.

Congressman Rick Larsen of Washington State who also sits on the Transportation and Infrastructure Committee, has a shipyard building WETA boats in his District. Of course, with Nancy Pelosi Speaker of the House again, there can be particular focus on funding for San Francisco Ferries. We continue to support Nina Rannells in scheduling congressional visits to the shipyards in Washington state where WETA boats are built, maintained. These shipyards are constituents of Senator Murray and Representative Larsen, both key ferry transit advocates on Capitol Hill. We have also been working to assure that when a new facility opens in San Francisco Bay that the local elected representatives, are invited. They will also, in the incoming Congress, be in even better position to advocate for ferries generally and WETA in particular.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger

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

(December 13, 2018)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority (WETA) met in regular session at WETA's Ron Cowan Central Bay Maintenance and Operations Facility at Alameda Point in the city of Alameda, CA.

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 12:02 p.m.

2. ROLL CALL

Chair Breckenridge, Director Anthony Intintoli, and Director Jeffrey DelBono were in attendance.

3. REPORT OF BOARD CHAIR

Chair Breckenridge welcomed attendees and reminded guests about the facility's ribbon cutting event and reception that would immediately follow the Board meeting.

4. REPORTS OF DIRECTORS

There were no reports from Directors.

5. REPORTS OF STAFF

Ms. Rannells shared her written report with Directors and said that WETA's ferry ridership continued to grow and was up 8 percent year to date, with an on-target farebox recovery of 64 percent. She noted that in addition to celebrating the new Ron Cowan Central Bay Maintenance and Operations Facility (CBMOF) this month, that WETA would soon see its most recently constructed fourth new vessel of the Hydrus class, the MV *Carina*, in the water for sea trials, to be followed soon after by the MV *Pyxis*, the first of three new North Bay vessels. Ms. Rannells also said that the first of two brand new WETA ferry terminal gates would be opening at the San Francisco Ferry Building – Gates F and G - to support WETA's services, including new Richmond service in January, and emergency response capabilities. She said that it is an exciting time for Bay Area ferry riders and she looked forward to celebrating these projects with everyone.

Ms. Rannells said that on December 19, the Bay Area Toll Authority (BATA) will consider a plan to begin collecting an additional \$1 bridge toll beginning January 1, 2019, consistent with Regional Measure 3 (RM3) approved by voters earlier in the year. She noted that due to the pending litigation over RM3, the planned RM3 funds for WETA are at risk. She noted that under BATA's plan, they will begin collecting the new tolls January 1, and will place the toll funds in an escrow account until the pending litigation is resolved. She emphasized that no funds would be disbursed from the escrow account to any qualifying agency until the litigation was settled, and that this could take a couple of years to resolve.

It was noted that San Francisco Supervisors had recently deferred a vote on collecting tolls to fund future ferry service and other transportation projects related to Treasure Island, and that the discussions about the island's ferry funding and service provider and start date were ongoing. It was agreed that Directors need clarification on the timeline and expectations for Treasure Island ferry service and that a

comprehensive conversation would be required soon to confirm the final decisions related to ferry service.

Ms. Rannells reminded Directors and guests that the January Board meeting would be held the morning of January 10 at the new Richmond Ferry Terminal location, to be followed by a ribbon cutting ceremony at 1:30 p.m. to mark the launch of the new Richmond ferry service that will begin that day.

Ms. Rannells introduced WETA's state lobbyist Barry Broad from Broad & Gusman.

Public Comment

Mr. Broad said that bills were still being introduced while the California state legislature was in recess, and that he was watching those to see if anything may be related to WETA. He explained that when the newly elected representatives are seated for 2019, sixty of the 80 seats in the State Assembly will be filled with Democrats, as will 29 of the 40 State Senate seats. Mr. Broad said these numbers reflect the highest majority of democrats in California since the 1940s and he noted that all representatives from the Bay Area, where WETA operates, were Democrats. Mr. Broad said he would let Directors know if any bills are introduced that relate to changing how the WETA Board is appointed. He said that if WETA wants to introduce any new legislation he would be happy to assist, and he emphasized that such conversations should commence as soon as possible.

Chair Breckenridge said that with the newly elected state representatives coming into Sacramento, this would be a good opportunity to work to partner with Golden Gate Ferry and other potential stakeholders to explore and devise some green technology initiatives. She noted that WETA might want to consider seeking the same flexible use language for RM2 funds that was secured in RM3.

6. CONSENT CALENDAR

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

- a. Board Meeting Minutes – November 8, 2018
- b. Approve Contract Amendment 1 to Agreement with Fast Ferry Management, Inc. for Vessel Construction Management Services
- c. Approve Sole Source Contract Award to Pacific Power Group, LLC for Main Engine Overhauls

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

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

7. RECEIVE THE INDEPENDENT AUDITORS' REPORTS FOR THE FISCAL YEAR ENDING JUNE 30, 2018

Finance & Administration Manager Lynne Yu presented this item to receive the independent auditors' Annual Financial Reports for the fiscal year ending June 30, 2018, as submitted by Maze & Associates, including the following:

- a. Memorandum on Internal Control;
- b. Required Communications;
- b. Basic Financial Statements;
- c. Single Audit Report;
- d. Measure B Fund Financial Statements; and
- e. Measure BB Fund Financial Statements.

Ms. Yu introduced Vikki Rodriguez, Partner and Chief Financial Officer for Audits at Maze & Associates whose accountants performed the audit, who provided Directors with a general overview of the audit reports.

PUBLIC COMMENT

Ms. Rodriguez said there were no issues to report as a result of the audit. She added that because of the excellent preparation done by Ms. Yu, the work had gone smoothly and quickly, and had all in all been very clean, resulting in no issues related to non-compliance, no findings, and no adjustments of any significance.

The Board acknowledged Ms. Rannells' and Ms. Yu's diligence and ongoing efforts that consistently result in successful and smooth audits for the agency.

Director Intintoli made a motion to approve the item.

Director DelBono seconded the motion and the item passed unanimously.

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

8. AUTHORIZE ACTIONS ASSOCIATED WITH THE SALE OF VESSELS

Operations & Maintenance Manager Keith Stahnke presented this item to authorize actions associated with the sale of two vessels, the MV *Encinal* and the MV *Vallejo*, which have reached the end of their service lives and are ready for disposal. Mr. Stahnke explained that this item would authorize the sale of both vessels, would authorize the Executive Director to secure the services of a marine broker through a competitive Request for Proposal (RFP) process and contract award to facilitate the sale of the vessels for fair market value, and would authorize the Executive Director to take any other related actions as may be necessary to finalize the sale of these two assets.

Director DelBono made a motion to approve the item.

Director Intintoli seconded the motion and the item passed unanimously.

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

9. APPROVE PILOT PROGRAM TO ENHANCE HARBOR BAY AND SOUTH SAN FRANCISCO SERVICES

Planning & Development Manager Kevin Connolly presented this item to approve a two-part pilot program to enhance Harbor Bay and South San Francisco ferry service utilizing existing vessels and crews. Mr. Connolly shared a slide show with the Board, and explained that the service would be an addition of a 9 a.m. weekday departure from Harbor Bay to San Francisco and the creation of a limited new reverse-commute service from South San Francisco to Harbor Bay. Mr. Connolly said the proposed pilot program would begin in the new year and run for twelve months, and it would test the market for expanded ferry service into Harbor Bay. He said this service would utilize the existing fare structure for the Alameda/Oakland - South San Francisco service during this pilot period. Mr. Connolly added that the cost for this proposal was \$30,000 and that if the new runs averaged 21 riders each day, the \$30,000 would be covered by farebox revenues. He clarified for Directors that an increased vessel maintenance cost to support the additional service was included in the \$30,000 cost figure.

Mr. Connolly said that WETA may not have extra funding or vessels for new or expanded service right now, but that this proposal was possible because the vessels and the crews are already in use and simply being maximized.

PUBLIC COMMENTS

Marilyn Ezzy Ashcraft, City of Alameda Mayor Elect, said she met every morning's commute ferry riders at Alameda Main Street while she was on her mayor's election race campaign trail. She said WETA ferry riders are the happiest people and the City of Alameda needs and wants even more WETA ferry service. She said she supported this new pilot program and that, environmentally speaking, everyone should be concerned and working to take cars off Bay Area roads. Ms. Ashcraft said that WETA ferries do that, and the later Harbor Bay ferry run will be very helpful for Alameda parents who have to drop their children off at daycare before going to work. She urged the Directors to move forward with this pilot program.

City of Alameda Planning Director Andrew Thomas said he fully supports this new service proposal and that he thinks the pilot is very interesting for the island's general development objectives and especially so for the commercial Harbor Bay Business Park tenant companies who want to see expanded and increased ferry service. Mr. Thomas said he had been working with WETA staff throughout the last ten years and he has worked with many developers. He said that WETA is incredibly professional and a supportive and wonderful partner to the City of Alameda.

Director DelBono made a motion to approve the item.

Chair Breckenridge seconded the motion and the item passed unanimously.

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

Chair Breckenridge acknowledged work of WETA staff throughout the year, and especially at this time of year with so many projects coming to fruition, and said she wishes staff well deserved time away from the office with their families during the holidays. She said the new Central Bay facility is beautiful and that she had received very positive feedback from the Blue & Gold Fleet team about working in the new building. Chair Breckenridge said there was much to celebrate this holiday season after a year of hard work and so many changes, and she wished everyone a wonderful holiday and new year.

10. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No additional public comments were shared.

All business having been concluded, the meeting was adjourned at 12:51 p.m.

- Board Secretary

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Lynne Yu, Finance & Administration Manager
Mike Gougherty, Senior Planner/Project Manager

SUBJECT: Approve Actions Related to Downtown San Francisco Ferry Terminal Expansion Project Enhancements

Recommendation

Approve the following actions related to the construction of enhanced pedestrian circulation improvements within the *Downtown San Francisco Ferry Terminal Expansion* project area:

1. Approve a Memorandum of Understanding (MOU) with the Port of San Francisco (Port) to receive \$300,000 in Proposition K funds to support the enhancements and authorize the Executive Director to execute this agreement; and
2. Authorized a \$300,000 increase in the FY 2018/19 Capital Budget for the *Downtown San Francisco Ferry Terminal Expansion* project; and
3. Authorize the Executive Director to amend Agreement #16-020 with Power Engineering Construction Company and Agreement #10-005 with Roma Design Group to increase the agreements in the combined total amount of \$300,000 to support the additional work.

Background/Discussion

In October 2017, the Port and WETA executed a MOU to pass through \$1.1 million in Proposition K funds from the Port to WETA to support construction of the *Downtown San Francisco Ferry Terminal Expansion (FTX)* project. Proposition K is a half-cent local sales tax for transportation improvements approved by San Francisco voters in November 2013 and administered by the San Francisco County Transportation Authority (SFCTA). These funds represent a portion of the full funding package that WETA has assembled for the FTX project.

The Port has recently identified \$300,000 in additional Proposition K funds that can be made available to WETA, on a pass-through basis, to construct enhanced pedestrian circulation improvements within the construction area of the FTX project. This work, which could be implemented by WETA's FTX construction team, would occur along the driveway located directly north of Gate E and provide a safe walkway for ferry passengers by separating vehicles and pedestrians with furnishings and walkway lighting. These improvements were originally contemplated and reviewed as part of the FTX project design, but ultimately not included in the construction plans due to lack of available funds.

In order to receive the additional Proposition K funds, WETA and the Port will need to enter into a new MOU that is substantially similar to the original one executed in October 2017 for the initial Proposition K pass through funds. The proposed MOU, drafted by Port and WETA staffs, is provided as **Attachment A** and identifies each agency's role in delivering the additional improvements to the Downtown Ferry Terminal. As the recipient of the Proposition K funds from the SFCTA, the Port will serve as the Project Sponsor responsible for seeking reimbursements from SFCTA for eligible expenses. WETA will serve as the Project Manager responsible for delivering the project and the management of the Proposition K funds in accordance to the sample Standard Grant Agreement, provided as **Attachment B**, between SFCTA and the Port.

Staff recommends that the Board of Directors approve this item in support of securing funds to make enhanced pedestrian circulation improvements within the FTX project area.

Fiscal Impact

Approval of this item will bring the total *Downtown San Francisco Ferry Terminal Expansion* project budget to \$98,265,000, including \$65,375,500 State Proposition 1B (66.5%), \$21,968,200 Regional Measure 2 (22.0%), \$9,521,300 Federal (10.0%), and \$1,400,000 San Francisco Proposition K (1.5%) grant funds.

END

Memorandum of Understanding

Proposition K Grant for Downtown Ferry Terminal - Pedestrian Circulation Improvements

This memorandum of understanding (the “MOU”) is entered into on the date below, by and between the San Francisco Bay Area Water Emergency Transportation Authority (“WETA”) and the City and County of San Francisco, acting by and through the San Francisco Port Commission (“Port”). This MOU is entered into on the basis of the following facts, understandings, and intentions of the parties:

- A. In November 2003, San Francisco voters approved Proposition K, a half-cent local sales tax for transportation that is administered by the San Francisco County Transportation Authority (“SFCTA”).
- B. The Proposition K Expenditure Plan describes the types of projects that are eligible for funds authorized by the proposition, establishes limits on sales tax funding by Expenditure Plan line item, and sets expectations for leveraging of sales tax funds.
- C. Category nine of the voter-approved Expenditure Plan is for “Improvements to downtown ferry terminals to accommodate increases in ferry ridership. Included are additional intermodal connections, new ferry berths, improved emergency response systems, and landside improvements to serve increased passenger flows. Also included is rehabilitation of passenger-serving facilities. Includes project development and capital costs.” There are two eligible sponsoring agencies for projects in this category: the Port of San Francisco and the Golden Gate Bridge, Highway and Transportation District.
- D. The Proposition K Expenditure Plan requires that each programmatic category (including category nine for ferries) develop a 5-Year Prioritization Program (“5YPP”) prior to receiving Proposition K funds allocations.
- E. During the process of updating the 5YPP for category 9 for fiscal years 2019-20 through 2023-24, the SFCTA prioritized and approved a \$300,000 project for the Downtown Ferry Terminal – Pedestrian Circulation Improvements. This funding is in addition to the prior allocation of \$1,100,000 for the Downtown Ferry Terminal – South Basin Improvements.
- F. WETA is undertaking the construction of, and will deliver, the Downtown Ferry Terminal – Pedestrian Circulation Improvements as part of its Downtown San Francisco Ferry Terminal Expansion Project (“Project”).
- G. WETA and the Federal Transit Administration (“FTA”) completed a Final Environmental Impact Statement/Environmental Impact Report (State Clearing House No. 20111032066, October 2014) that meets requirements of both the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) for environmental

clearance of the Downtown Ferry Terminal Expansion Project, which includes the Pedestrian Circulation Improvements.

- H. As the Pedestrian Project sponsor, the Port is responsible for ensuring that Proposition K grant funds are expended in accordance with the terms set forth in the one or more Standard Grant Agreements (“SGA”) dated _____ between SFCTA and the Port a copy of which is attached and incorporated in this MOU.
- I. As the entity delivering the Project, WETA is responsible for complying with all provisions laid out in the SGA(s) and seeking reimbursement of eligible expenses through the Port.
- J. The Port and WETA, through this MOU, wish to set forth their essential understandings, and agreements, as they relate to expenditure and administration of Proposition K grant funds for the Project in accordance with the SGA(s).

Now, therefore, it is agreed as follows:

1. As the Project Sponsor and as memorialized herein, the Port agrees to serve as the fiscal agent for WETA on the Proposition K grant funds for the Project. The Port will serve as the Project Sponsor and fiscal agent for seeking reimbursement from SFCTA for eligible Project expenses incurred by WETA.
2. WETA shall not proceed with tasks resulting in expenses above the authorized grant amount specified in the SGA(s).
3. The Port agrees to waive the Building Permit fee for the Pedestrian Project.
4. Both parties agree to the following assignment and allocation of their roles and responsibilities, as they pertain to each major section of Section 2, Standard Terms and Conditions, of the SGA(s). (The following numbers correspond to SGA sections):

SGA Section	WETA Responsible	Port Responsible	Notes
II	A	X	
	B	X	
	C	X	X
	D	X	
	E	X	X
	F	X	
	G	X	X
	H	X	
	I	X	
III	A	X	
	B	X	X
			WETA shall maintain all records. Port’s record

				retention responsibility limited to maintaining documents it receives and reviews to facilitate reimbursements
	C	X	X	Please see section 5 and 6 below chart for procedure notes.
	D	X		
	E	X		
	F	X		
	G	X	X	If cost savings must be returned, WETA is responsible for returning funds to the Port who will then reimburse SFCTA.
IV	A-B	X		
V	A	X	X	Port's role is limited to providing information on the materials it has reviewed to process reimbursement requests. WETA has lead responsibility on audits and will accommodate audit staff at its office, if needed.
	B	X	X	WETA will prepare all materials, including certified financial statements, and provide to the Port for review and transmissions to SFCTA.
	C	X	X	
	D	X	X	
VI	A	X	X	
VII	A	X	X	
	B	X	X	
	C	X	X	
VIII		X	X	
IX		X	X	
X		X	X	
XI		X	X	
XII		X	X	
XIII		X	X	
XIV		X	X	

5. WETA will seek reimbursements on a quarterly basis in accordance with the SGA(s). Within two weeks after receipt of a complete reimbursement request package, the Port will transmit the reimbursement request to SFCTA. The Port will reimburse WETA within two weeks of receipt of funds from SFCTA.
6. WETA shall provide the Port with reimbursement requests that include appropriate support documentation and identification of expenses incurred. The reimbursement package will include:

- a. A cover page identifying the grant, the requested reimbursement amount, and the remaining grant balance;
 - b. A breakdown of the types of expenses incurred, the total for each type, and the proportion of expenses billed to Proposition K compared to other fund sources;
 - c. A detailed summary of the non-labor expenses, summarized by vendor or contractor; and
 - d. Any other information reasonably requested by the Port or WETA.
7. WETA shall comply with the deliverables and special conditions described on the Transportation Authority Recommendation of the Proposition Allocation Request Form appended to the SGA(s).

WETA and the Port of San Francisco have entered into this Memorandum of Understanding as of the last date set forth below.

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

**City and County of San Francisco,
acting by and through the San
Francisco Port Commission**

By: _____

Nina Rannells
Executive Director

By: _____

Elaine Forbes
Executive Director

Date: _____

Date: _____

Reviewed:

Reviewed:

**Dennis J. Herrera
City Attorney**

By: _____

Madeline Chun
Legal Counsel to WETA

By: _____

Michelle Sexton
Deputy City Attorney

STANDARD GRANT AGREEMENT
Proposition K
Transportation Authority Project No. «Project_Numbers»
Resolution «Resolution_No»

SECTION 1

I. PURPOSE OF AGREEMENT

THIS AGREEMENT is entered into by and between the San Francisco County Transportation Authority (TRANSPORTATION AUTHORITY) and the «Sponsors_SGA_Name» (RECIPIENT), to document the funding conditions necessary for the RECIPIENT to comply with applicable law and TRANSPORTATION AUTHORITY policies as provided in the TRANSPORTATION AUTHORITY GRANT Resolution. This AGREEMENT consists of Sections 1 and 2 and all additional documents stated in these sections as being attached hereto and incorporated in the AGREEMENT by reference.

In consideration of the mutual covenants, promises, and representations herein, the parties hereto agree as follows:

II. PURPOSE OF GRANT

This GRANT, approved through Resolution «Resolution_No» of the TRANSPORTATION AUTHORITY, in accordance with the requirements of the TRANSPORTATION AUTHORITY'S Proposition K Expenditure Plan and Strategic Plan, is made for the following purposes identified in the RECIPIENT'S Proposition K Sales Tax Program Allocation Request Form (Attachment):

«ARF_Project_Name»

III. PROJECT DEFINITION AND SCOPE

The RECIPIENT agrees to undertake and complete the PROJECT with all practicable dispatch, in a sound, economical, and efficient manner, and in accordance with all the provisions of Sections 1 and 2 hereof, and as described in the Scope section and any Special Conditions of the Proposition K Sales Tax Program Allocation Request Form, which are attached to this AGREEMENT, and made a part hereof.

IV. GRANT

The TRANSPORTATION AUTHORITY hereby grants to the RECIPIENT the sum of \$«Total_Amount_Allocated» as designated in the GRANT Resolution cited below and included in this AGREEMENT by reference.

Res. No.	Date	Project #	Proposition K Funds Allocated	Proposition K Fund Expiration Date
«Resolution_No»	«Resolution_Date»	«Project_Numbers»	\$«Total_Amount_Allocated»	«Prop_K_Expiration_Date»

V. ACCEPTANCE OF GRANT

The RECIPIENT does hereby declare that all written statements, representations, covenants, and materials submitted as a condition of this AGREEMENT are true and correct and does hereby accept the TRANSPORTATION AUTHORITY'S GRANT and agrees to all of the terms and conditions of this AGREEMENT.

This AGREEMENT is effective as of the DATE OF EXECUTION as defined in SECTION 2, STANDARD TERMS AND CONDITIONS, DEFINITIONS, below.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

By: _____
Tilly Chang, Executive Director

Date _____

RECIPIENT: «Sponsors_SGA_Name»

By: _____
«Sponsor_Signator», «Sponsor_Sig_Title»

Date _____

Approved As To Form: «Attorney_Name», «Attorney_Title»

By: _____
«Attorney_Sig_Title»

**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
STANDARD GRANT AGREEMENT**

**SECTION 2
STANDARD TERMS AND CONDITIONS**

I. DEFINITIONS

As used in this AGREEMENT:

- A. AGREEMENT shall mean Sections 1 and 2 of this Standard Grant Agreement and all additional documents stated in these sections as being attached and incorporated by reference.
- B. TRANSPORTATION AUTHORITY shall mean the San Francisco County Transportation Authority.
- C. DATE OF EXECUTION shall mean the date when the TRANSPORTATION AUTHORITY'S Executive Director or his/her designee signs this agreement.
- D. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM shall mean any DBE program adopted by RECIPIENT, or an equivalent program approved directly by the California Department of Transportation or accepted by the federal agency providing financial assistance, that is applicable to the PROJECT as defined by RECIPIENT.
- E. FORCE ACCOUNT shall mean personnel costs incurred by the RECIPIENT directly associated with implementing projects.
- F. FUND EXPIRATION DATE shall mean the final date when eligible costs may be charged against a GRANT.
- G. GRANT shall mean the allocation of any Proposition K sales tax funds.
- H. LOCAL BUSINESS ENTERPRISE (LBE) PROGRAM shall mean any LBE program adopted by RECIPIENT that is applicable to the PROJECT as defined by RECIPIENT.
- I. LOCAL HIRING PROGRAM shall mean any local hiring ordinance adopted by RECIPIENT or another employment opportunity program developed by RECIPIENT that is applicable to the PROJECT as defined by RECIPIENT.
- J. NEW EXPENDITURE PLAN shall mean the City and County of San Francisco Transportation Expenditure Plan approved by the voters on November 4, 2003.
- K. PROJECT shall mean the scope of work set forth in the attached Proposition K Sales Tax Program Allocation Request Form. This scope of work is based on the applicable project description of a line item that is in the EXPENDITURE PLAN.
- L. PROPOSITION K REQUEST TABLE shall mean the current schedule of cash flows shown in the Proposition K Sales Tax Program Allocation Request Form–Cash Flow Distribution Schedule by Fiscal Year table.
- M. RECIPIENT shall mean SPONSORING AGENCY that receives a GRANT from the TRANSPORTATION AUTHORITY for the purpose of carrying out the PROJECT.
- N. SMALL BUSINESS ENTERPRISE (SBE) PROGRAM shall mean any SBE program adopted by RECIPIENT that is applicable to the PROJECT as defined by RECIPIENT.
- O. SPONSORING AGENCY shall mean the RECIPIENT shown on page 20 of 21 of the EXPENDITURE PLAN for the PROJECT.
- P. STRATEGIC PLAN shall mean the long-range Strategic Plan adopted by the TRANSPORTATION AUTHORITY Board in place at the time of the allocation, which updates assumptions about level and availability of Proposition K revenues and sets policy on Proposition K expenditures, project budgets, cost eligibility, and expected cash flows.

II. GENERAL CONDITIONS

- A. Cost Eligibility

Cost eligibility shall be determined by the TRANSPORTATION AUTHORITY'S Strategic Plan policies. All costs incurred by RECIPIENT prior to the DATE OF EXECUTION of this AGREEMENT shall be ineligible for reimbursement by the TRANSPORTATION AUTHORITY, except in the following situations:

1. Where the TRANSPORTATION AUTHORITY has previously approved the scope of a project and that scope has incurred increased costs; and
2. Capital costs of a multi-year project to which the TRANSPORTATION AUTHORITY has made a formal commitment in a resolution for out-year costs, although the funds have not been allocated.

While these costs shall be eligible for reimbursement in the situations cited above, the timing and amount of reimbursement will be subject to a TRANSPORTATION AUTHORITY allocation, based on available revenues, other anticipated project requests, and project category and subcategory limits established in the EXPENDITURE PLAN. Travel costs shall not exceed the per diem rates and allowances established by the U.S. General Services Administration when traveling within the United States, and U.S. Department of State when traveling outside the United States. All costs incurred by RECIPIENT after the FUND EXPIRATION DATE shall be ineligible for reimbursement by the TRANSPORTATION AUTHORITY. Any waiver of cost eligibility policies must be included in the Proposition K Sales Tax Program Allocation Request Form as approved by the TRANSPORTATION AUTHORITY.

B. Non-Substitution of Funds

In accordance with Sections 131000 et seq. of the California Public Utilities Code under which the TRANSPORTATION AUTHORITY was created, a GRANT awarded to the RECIPIENT shall not replace funds previously provided by property tax revenues for transportation purposes and shall be used to supplement existing local revenues used for transportation purposes.

Any GRANT determined by the TRANSPORTATION AUTHORITY to replace existing local revenues shall be refunded by the RECIPIENT to the TRANSPORTATION AUTHORITY in a manner determined by the TRANSPORTATION AUTHORITY.

C. Compliance with Law

In the performance of its obligations pursuant to this AGREEMENT, the RECIPIENT shall keep itself fully informed of the federal, state and local laws, ordinances and regulations in any manner affecting the performance of this Agreement, and must at all times comply with such laws, ordinances, and regulations as they may be amended from time to time.

D. Budget and Scope

The RECIPIENT shall maintain a PROJECT budget. The RECIPIENT shall carry out the PROJECT and shall incur obligations against and make disbursements of the GRANT in conformity with the TRANSPORTATION AUTHORITY'S requirements and the budget. The PROJECT budget may be revised from time to time through the submission of a revised budget to the TRANSPORTATION AUTHORITY.

The RECIPIENT may not make any changes to the scope of the PROJECT without prior written approval of the TRANSPORTATION AUTHORITY. Approval by the TRANSPORTATION AUTHORITY of a change of scope shall not constitute an increase in the GRANT amount unless additional funds are specifically provided.

E. Third Party Contract Audits

The TRANSPORTATION AUTHORITY reserves the right to request an audit of other third party contracts for any reason. If the RECIPIENT is subject to third party financial audit requirements imposed by another funding source, copies of audits performed in fulfillment of such requirements shall be provided to the TRANSPORTATION AUTHORITY. If the RECIPIENT is an agency, department or other subdivision of the City and County of San Francisco, third party contracts include those contractual agreements entered into by the RECIPIENT and any other City and County of San Francisco entity.

F. Project Management

RECIPIENT shall be responsible for the PROJECT and provide management of consultant and contractor activities for which RECIPIENT contracts, including responsibility for schedule, scope, and budget, consistent with the TRANSPORTATION AUTHORITY'S resolution allocating the GRANT unless otherwise agreed upon in writing.

G. Project Oversight

The RECIPIENT shall cooperate with the TRANSPORTATION AUTHORITY'S project oversight team and shall provide any requested PROJECT information.

H. Attribution and Signage

If any portion of GRANT funds is used for production of reports, acknowledgment of the TRANSPORTATION AUTHORITY'S role shall be included in the documents. If any portion of GRANT funds are used for a project, the RECIPIENT shall, upon initiation of field work or at the earliest feasible time thereafter, install and maintain a sign at the construction site identifying Proposition K Local Transportation Sales Tax Funds and the TRANSPORTATION AUTHORITY as a funding source, in accordance with the standard format within this Section II.H. For construction projects, RECIPIENT shall, within 30 days of the date of initiation of fieldwork, submit to the TRANSPORTATION AUTHORITY as a jpeg or TIF file, a photograph documenting compliance with the Proposition K attribution and format requirements herein contained. For non-construction capital purchases funded by any portion of GRANT funds, RECIPIENT shall affix permanent signage identifying the TRANSPORTATION AUTHORITY and the Sales Tax Funds as a funding source according to the standard format. RECIPIENT shall demonstrate compliance with attribution and signage requirements as a mandatory condition for authorization of Proposition K reimbursement for project expenses. RECIPIENT shall submit a request for approval from the TRANSPORTATION AUTHORITY for any deviation from the specified attribution and signage described below. Exceptions may be made at the sole discretion of the TRANSPORTATION AUTHORITY.

All press releases related to projects with any phase of work (Planning/Preliminary Engineering, Environmental, Right of Way, Plans, Specifications and Estimates, Construction, and/or Procurement), partially or entirely funded by Proposition K funds shall include the following statement:

This project was made possible in part with Proposition K Sales Tax dollars provided by the San Francisco County Transportation Authority.

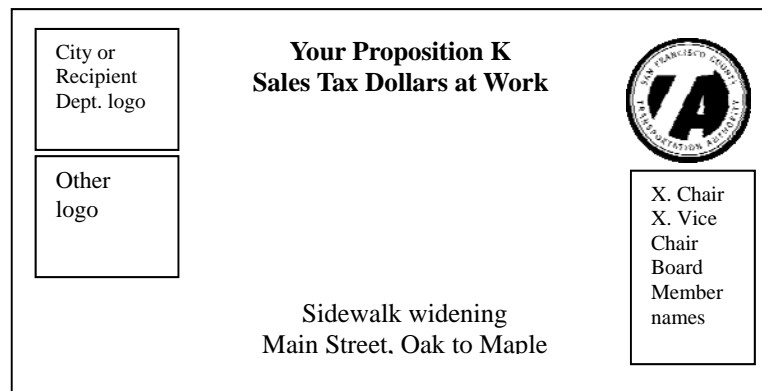
1. For a construction project undertaken with partial or complete funding from Proposition K for the Construction phase, RECIPIENT shall install and maintain a sign displaying the following items:
 - a. The official TRANSPORTATION AUTHORITY seal, provided to RECIPIENT in digital format at the time of execution of this AGREEMENT, placed on the upper or lower right hand corner of the sign, and sized 8 inches across or at the same size as the RECIPIENT's own seal or official logo appearing on the sign, whichever is larger.
 - b. The following text:

***Your Proposition K
Sales Tax Dollars at Work***

centered horizontally across the top or across the bottom of the sign, such that the TRANSPORTATION AUTHORITY logo appears immediately to the right of the text, and displayed in 2-inch tall, or the same size as the text acknowledging RECIPIENT, if larger, Times Roman or comparable font. See example in Figure 1.

- c. A listing of current members of the TRANSPORTATION AUTHORITY Board of Commissioners, starting with Chair and Vice Chair, followed by Board members names listed in alphabetical order, centered vertically against the right margin of the sign. See Example in Figure 1.

Figure 1
Example of Construction Sign



2. For a project for which Proposition K funding was used for any prior phase (i.e., Planning/Preliminary Engineering, Environmental, Right of Way, Plans, Specifications and Estimates, and Procurement), but not for the Construction phase, RECIPIENT shall install and maintain a sign displaying the following items:
 - a. The official TRANSPORTATION AUTHORITY seal, placed on the upper or lower right hand corner of the sign, and sized 8 inches across or at the same size as the RECIPIENT's own seal or official logo appearing on the sign, whichever is larger.
 - b. The following text:

This Project was made possible in part by Proposition K Local Transportation Sales Tax Funds.

centered horizontally across the top or across the bottom of the sign, such that the TRANSPORTATION AUTHORITY logo appears immediately to the right of the text. See example in Figure 2.

Figure 2

Example of Proposition K Attribution on Construction Sign

This Project was made possible in part by Proposition K
Local Transportation Sales Tax Funds



3. Required Format for Attribution and Acknowledgement of TRANSPORTATION AUTHORITY Funding for Non-Construction Capital Projects.

All capital purchases, including, but not limited to transit fleet and non-revenue fleet vehicles and maintenance vehicles, partially or entirely funded by Proposition K shall bear permanent signage as follows:

a. For vehicles (revenue and non-revenue):

A decal or painted version of the TRANSPORTATION AUTHORITY'S official seal, 5 inches across. Non-revenue vehicles shall display the seal on either side or on the rear of the vehicle, at least 6 inches in from the perimeter of the surface where it is displayed. Transit and paratransit vehicles shall display the TRANSPORTATION AUTHORITY'S seal prominently inside the vehicle, either on the rear-facing driver privacy panel, or on a wall or ceiling graphic display panel. The seal shall be displayed including the following text, centered under the seal: *Paid for by Your Prop K Sales Tax*, in two rows, as illustrated below:



*Paid for by Your
Prop K Sales Tax*

4. Required Format for Attribution and Acknowledgement of TRANSPORTATION AUTHORITY Funding of Studies and Reports

All reports prepared with funding from Proposition K shall bear the appropriate framed imprint on the back of the title page, right justified and printed in 12 point font. The Official TRANSPORTATION AUTHORITY seal, provided to RECIPIENT in digital format at the time of execution of the AGREEMENT, and sized at 1 inch across, as shown below, shall be placed immediately to the right of the text frame bearing the attribution imprint.

a. For reports entirely funded through Proposition K:

Preparation of this report was made possible by the San Francisco County Transportation Authority through a grant of Proposition K Local Transportation Sales Tax funds.



- b. For reports and studies partially funded through Proposition K:

Preparation of this report was made possible in part by the San Francisco County Transportation Authority through a grant of Proposition K Local Transportation Sales Tax funds.



5. Required Format for Attribution and Acknowledgement of TRANSPORTATION AUTHORITY Funding of Flyers, Brochures, Posters, Websites and Other Similar Materials.

All flyers, brochures, posters, websites and other similar materials prepared with Proposition K funding shall include the Authority's logo and the following statement:

This project is made possible by the San Francisco County Transportation Authority through a grant of Proposition K Local Transportation Sales Tax Funds.

The logo should be grouped with any other participating agency. The logo and attribution shall be readily visibly and distinguishable from a normal viewing distance for the item being produced. One copy of all such materials shall be delivered to the TRANSPORTATION AUTHORITY for archival purposes.

I. Environmental Compliance

The RECIPIENT shall undertake all environmental mitigation measures that may be identified as commitments in applicable documents (such as environmental assessments, environmental impact statements and reports, and memoranda of agreement), and comply with any conditions imposed as a part of a finding of no significant impact or a record of decision. All such mitigation measures are incorporated in this AGREEMENT by reference.

III. FINANCES

A. Documentation of Project Costs

All costs charged to the PROJECT, including any approved FORCE ACCOUNT services performed by the RECIPIENT, shall be supported by properly prepared and documented time records, invoices, or vouchers evidencing in detail the nature and propriety of the charges and the basis for the percentage charged to the TRANSPORTATION AUTHORITY.

B. Records

All checks, payrolls, invoices, contracts, vouchers, journal entries, work orders, and other accounting documents pertaining in whole or in part to the PROJECT shall be maintained by the RECIPIENT for a period of five (5) years after the later of PROJECT closeout or

termination of GRANT. Such PROJECT documents shall be clearly identified, readily accessible, and, to the extent feasible, kept separate and apart from all other similar documents not pertaining to the PROJECT.

C. Reimbursements

Payment shall be made to the RECIPIENT for costs reimbursable under the terms of this AGREEMENT and incurred prior to the termination date of this AGREEMENT. Payment to RECIPIENT of the GRANT shall be upon written approval by the TRANSPORTATION AUTHORITY, upon submittal by the RECIPIENT of appropriate support documentation and identification of expenses incurred. Reimbursement shall be made on a quarterly basis. The TRANSPORTATION AUTHORITY, in consultation with the RECIPIENT, may provide an alternate reimbursement schedule or quarterly calendar to the grantee. However, RECIPIENT shall submit fourth (4th) quarter reimbursement requests or an expenditure accrual schedule in time to meet the Authority's year end closing process. Except for the grant closeout or end of fiscal year billing, the minimum reimbursement request amount shall be \$5,000. In the case of grant closeout, the TRANSPORTATION AUTHORITY reserves the right to retain up to \$5,000 or 10% of the GRANT amount, whichever is less, until all project requirements, including special conditions and deliverables, have been met, and closeout documentation, including proof of attribution and project completion, have been submitted and accepted.

Reimbursements shall not exceed the schedule shown in the PROPOSITION K REQUEST TABLE. RECIPIENT may make a request for exceptions in writing. Exceptions may be made at the sole discretion of the Authority.

Each reimbursement request shall include RECIPIENT'S certification that the amounts sought are only for project elements included in the Allocation Request Form, and that RECIPIENT is in compliance with the TRANSPORTATION AUTHORITY'S requirements under Section IV. A (Progress Reports) and II. H (Signage and Attribution) of this Agreement.

D. Interest Expense

1. RECIPIENT acknowledges that the TRANSPORTATION AUTHORITY may have to issue debt to honor reimbursement requests, including, but not limited to, the planned reimbursement requests shown in the current PROPOSITION K REQUEST TABLE. If, as of the date of a reimbursement, the sum of the reimbursements for an Expenditure Plan line item exceeds such Expenditure Plan line item's cumulative pro-rata share of Proposition K revenues as such revenues and pro-rations are shown in the current adopted Proposition K Strategic Plan, and the Authority issues or services debt to satisfy its reimbursement obligations to RECIPIENT or any other recipient of Proposition K revenues, then such Expenditure Plan line item shall be responsible for and allocated its pro-rata share of the costs and expenses of such debt, including all interest expense, fees, and other costs of issuance (collectively, "Debt Expenses"). Actual Debt Expenses shall be reported at the end of the Fiscal Year in which the reimbursement occurs, and such Debt Expenses will be charged against applicable Expenditure Plan line item reimbursement limits.
2. The TRANSPORTATION AUTHORITY may request updated PROPOSITION K REQUEST TABLES, and RECIPIENT shall respond to any such request within ten (10) business days if RECIPIENT proposes any change in the PROPOSITION K REQUEST TABLE, with any such changes requiring approval by the TRANSPORTATION AUTHORITY. The most recently approved PROPOSITION

K REQUEST TABLE will be the basis for determining Debt Expenses and reimbursement request limits.

3. Notwithstanding anything to the contrary within this Section III.D., in the event that the TRANSPORTATION AUTHORITY specifically issues debt on behalf of RECIPIENT's specific project, any Debt Expenses related to such debt will be directly allocated and charged against the applicable Expenditure Plan line item and not prorated as set forth in Section III.D.1.
4. Notwithstanding anything to the contrary within this Section III.D.1, in the event that this GRANT funds one of the four projects grandfathered from the Prop B Expenditure Plan, no finance costs will be assigned to the project. These four projects are the Third Street Light Rail Project, the New Central Subway Project, the Illinois Street Bridge Project and the Bernal Heights Project.

E. Proportional Expenditure of GRANT

If this GRANT constitutes local match for federal, state, or regional funds, the RECIPIENT shall not expend this GRANT at a rate greater than the percentage share as listed in the Proposition K Sales Tax Program Allocation Request Form unless written approval by the TRANSPORTATION AUTHORITY is obtained to allow GRANT expenditure for a different percentage.

F. Proceeds from Sale of Equipment or Vehicles Purchased with GRANT

If RECIPIENT uses any portion of the GRANT to purchase equipment or vehicles, and later sells the equipment or vehicles, RECIPIENT shall return to the TRANSPORTATION AUTHORITY a portion of the proceeds from the sale of such assets. RECIPIENT shall return to the TRANSPORTATION AUTHORITY that proportion of the net sales proceeds that is equal to the percentage of the original purchase price that consisted of GRANT funds. The TRANSPORTATION AUTHORITY will program any returned funds in accordance with Strategic Plan policies.

G. Return of Project Cost Savings

If the actual costs of the PROJECT are less than the amount budgeted or the amount advanced by the TRANSPORTATION AUTHORITY, RECIPIENT shall return to the TRANSPORTATION AUTHORITY that proportion of the project cost savings that is equal to the percentage of the original project budget that consisted of Prop K grant funds. The TRANSPORTATION AUTHORITY will program any returned funds in accordance with Strategic Plan policies.

IV. REPORTING

A. Progress Reports

As a condition for reimbursement, RECIPIENT shall submit quarterly progress reports and an annual project report. RECIPIENT must submit a progress report for each grant regardless of progress made during the reporting period.

RECIPIENT shall submit no later than April 15, July 15, October 15, and January 15, a quarterly progress report describing the activities performed during the previous quarter. The TRANSPORTATION AUTHORITY in consultation with RECIPIENT may agree to

an alternate reporting schedule for the grantee. This report shall address the current scope, schedule, cost and status of each project element listed in the Allocation Request Form and approved amendments. Project updates shall include percent complete of the project's scope, photographs of projects under construction, the completed project, and verification of compliance with the TRANSPORTATION AUTHORITY'S signage and attribution requirements. Photos shall include identification for project number, location, date and activity being photographed.

B. Annual Reports

RECIPIENT shall submit no later than December 15 of each year a project update for potential inclusion in the TRANSPORTATION AUTHORITY Annual Report, in a format to be provided by the TRANSPORTATION AUTHORITY. This update shall include at least the following information: project sponsor, project contact, project description, project status including percent complete, expenditures, including SBE, DBE and LBE PROGRAM utilization to date and project goals, LOCAL HIRING PROGRAM utilization to date, and photos and other presentation quality materials. RECIPIENT shall limit this presentation to one page for all items except photos and one page for multiple photos.

All quarterly progress reports shall be submitted in electronic format. Electronic format shall include Microsoft Word or Excel documents for text portions and JPEG files for photos or as otherwise directed by the TRANSPORTATION AUTHORITY. The TRANSPORTATION AUTHORITY reserves the right to request hard copies of the progress report.

V. AUDITS AND CLOSEOUT PROCEDURES

A. Ongoing

The TRANSPORTATION AUTHORITY reserves the right at any time to conduct or require a financial or performance audit of the RECIPIENT'S compliance with this AGREEMENT. The TRANSPORTATION AUTHORITY will give advance notice of the requirement. The RECIPIENT shall permit the TRANSPORTATION AUTHORITY, or any of its duly authorized representatives, to inspect all work, materials, payrolls, and other data and records with regard to the PROJECT, and to audit the books, records, and accounts of the RECIPIENT and its contractors with regard to the PROJECT.

B. Closeout

PROJECT closeout occurs either when the TRANSPORTATION AUTHORITY notifies the RECIPIENT or forwards the final GRANT payment, or when the RECIPIENT'S remittance of the proper refund has been acknowledged by the TRANSPORTATION AUTHORITY. Within ninety (90) days of the PROJECT completion date or termination by the TRANSPORTATION AUTHORITY, whichever comes first the RECIPIENT shall submit a certified financial statement identifying all excess funds or ineligible expenditures, which the RECIPIENT shall be required to refund, as well as third party audit reports, as applicable, or provide a schedule and justification for an alternate closeout date. PROJECT closeout shall not terminate any continuing obligations imposed on the RECIPIENT by this AGREEMENT. For multi-year AGREEMENTS, the TRANSPORTATION AUTHORITY may request closeout of a portion of a PROJECT as it is completed. Final reimbursement will be in accordance with AUTHORITY policies and procedures.

RECIPIENT shall provide to the TRANSPORTATION AUTHORITY the following information at project closeout

1. Final Expenditure Report

This report shall consist of the total expenditures for the approved scope, revenues from all funding sources applied to the approved scope of work. The RECIPIENT shall provide supporting documentation for expenditures and revenues from its accounting and financial management system.

RECIPIENT shall certify that the amounts sought are only for project elements included in the Proposition K Sales Tax Program Allocation Request Form.

2. SBE, DBE, LBE and LOCAL HIRING PROGRAMS Utilization Report

This report shall include a breakdown of work performed by RECIPIENT forces and the work that has been contracted out, including a breakdown of work contracted out to SBE, DBE, LBE and/or local residents, which includes the contract and project goals and utilization to date in terms of percents and dollar amounts as applicable.

3. Final Project Update

The RECIPIENT shall provide a final project update in the format that is specified for the TRANSPORTATION AUTHORITY'S Annual Report in Section IV. A. of this AGREEMENT.

These project closeout documents shall be submitted under the signature of staff authorized to execute the AGREEMENT.

Release of the final reimbursement request or allocation of additional grants shall be subject to fulfillment of required closeout materials. The TRANSPORTATION AUTHORITY reserves the right to retain up to \$5,000 or 10% of the GRANT, whichever is less, until all closeout documentation, including proof of attribution and project completion, have been submitted and accepted.

C. Rescission of Authorization of Funds

The TRANSPORTATION AUTHORITY reserves the right to rescind its authorization of unneeded GRANT funds prior to, or at the time of, PROJECT closeout. Funds are determined to be unneeded if they are uncommitted at time of project closeout.

D. Repayment of Ineligible Costs

The TRANSPORTATION AUTHORITY reserves the right to offset RECIPIENT payback of ineligible costs against future GRANT approvals for this PROJECT or other projects in the EXPENDITURE PLAN for which RECIPIENT is the SPONSORING AGENCY.

VI. LIABILITY

A. Indemnification

RECIPIENT agrees to defend, indemnify and hold harmless the TRANSPORTATION

AUTHORITY, its officers, employees and agents, from any and all acts, claims, omissions, liabilities and losses asserted by any third party arising out of acts or omissions of RECIPIENT in connection with this AGREEMENT, except those arising by reason of the sole negligence of the TRANSPORTATION AUTHORITY, its officers, employees and agents.

TRANSPORTATION AUTHORITY agrees to defend, indemnify and hold harmless the RECIPIENT, its officers, employees and agents, from any and all acts, claims, omissions, liabilities and losses asserted by any third party arising out of acts or omissions of TRANSPORTATION AUTHORITY in its obligations under this AGREEMENT, except those arising by reason of the sole negligence of the RECIPIENT, its officers, employees and agents.

In the event of concurrent negligence of RECIPIENT and TRANSPORTATION AUTHORITY, the liability for any and all claims for injuries or damages to persons and/or property shall be apportioned under the California theory of comparative negligence as presently established or as may hereafter be modified.

VII. DEFAULT

A. Termination for Cause

The RECIPIENT agrees that, upon ten (10) working days written notice, the TRANSPORTATION AUTHORITY may suspend or terminate all or part of the financial assistance provided herein for failure to correct a breach of this AGREEMENT. Any failure to make reasonable progress, inconsistency with the EXPENDITURE PLAN or Proposition K Sales Tax Program Allocation Request Form, unauthorized use of GRANT funds as specified in this AGREEMENT, or other violation of the AGREEMENT that significantly endangers substantial performance of the PROJECT shall be deemed to be a breach of this AGREEMENT and cause for termination.

B. Correction of Breach

With respect to any breach, which is reasonably capable of being cured, the RECIPIENT shall have thirty (30) days from the date of notice of breach to initiate steps to cure. If the RECIPIENT diligently pursues cure, such RECIPIENT shall be allowed a reasonable time to cure, not to exceed sixty (60) days from the date of the initial notice, unless a further extension is granted in writing by the TRANSPORTATION AUTHORITY.

C. Obligations

In general, termination of financial assistance under this AGREEMENT will not invalidate obligations properly incurred by the RECIPIENT before the termination date, to the extent those obligations cannot be canceled.

VIII. INTEGRATION

This AGREEMENT represents the entire AGREEMENT of the parties with respect to the subject matter thereof. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

IX. AMENDMENT

Except as otherwise provided herein, this AGREEMENT may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this AGREEMENT shall be void and of no effect.

X. INDEPENDENT AGENCY

RECIPIENT performs the terms and conditions of this AGREEMENT as an entity independent of the TRANSPORTATION AUTHORITY. None of the RECIPIENT'S agents or employees shall be agents or employees of the TRANSPORTATION AUTHORITY.

XI. ASSIGNMENT

The AGREEMENT may not be assigned, transferred, hypothecated, or pledged by any party without the express written consent of the other party.

XII. BINDING ON SUCCESSORS, ASSIGNEES OR TRANSFEREES

This AGREEMENT shall be binding upon the successor(s), assignee(s) or transferee(s) of the TRANSPORTATION AUTHORITY or the RECIPIENT as may be the case. This provision shall not be construed as an authorization to assign, transfer, hypothecate or pledge this AGREEMENT other than as provided above.

XIII. EXPENSES

Each party shall be solely responsible for and shall bear all of its own respective legal expenses in connection with any dispute arising out of this AGREEMENT and the transactions hereby contemplated. RECIPIENT may not use GRANT funds, or other TRANSPORTATION AUTHORITY programmed funds for the aforementioned purpose.

XIV. SEVERABILITY

Should any part of this AGREEMENT be declared unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decisions shall not affect the validity of the remainder of this AGREEMENT, which shall continue in full force and effect provided that the remainder of this AGREEMENT can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the parties.

Attachment: Proposition K Sales Tax Program Allocation Request Form, attached and incorporated by this reference.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2019-01

APPROVE ACTIONS RELATED TO DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT ENHANCEMENTS

WHEREAS, WETA is working in partnership with the Port of San Francisco Port in developing the Downtown San Francisco Ferry Terminal Expansion (FTX) project in San Francisco, CA; and

WHEREAS, WETA is the lead agency for construction of the FTX project and, as such, has contracted with Power Engineering Construction Company to construct the FTX project and Roma Design Group for design services for the project; and

WHEREAS, Proposition K is a half-cent local sales tax for transportation improvements approved by San Francisco voters in November 2013 and administered by the San Francisco County Transportation Authority (SFCTA); and

WHEREAS, the Port of San Francisco (Port) is an eligible recipient of Proposition K funds; and

WHEREAS, WETA and the Port previously entered into a Memorandum of Understanding in October 2017 to pass through \$1.1 million Proposition K funds to WETA to support the FTX project; and

WHEREAS, the Port has secured \$300,000 in additional Proposition K funds to construct enhanced pedestrian circulation improvements for the Downtown San Francisco Ferry Terminal and desires to pass through these funds to WETA to complete the work as a part of the ongoing construction; and

WHEREAS, the Port and WETA must execute a new MOU for the additional Prop K funding that defines the roles and responsibilities for passing through these funds to WETA for use in delivering the Project; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves a Memorandum of Understanding with the Port of San Francisco (Port) to receive \$300,000 in Proposition K funds to support enhanced pedestrian circulation improvements within the FTX project area and authorizes the Executive Director to execute this agreement; and be it further

RESOLVED, that the Board of Directors authorizes a \$300,000 increase in the FY 2018/19 Capital Budget for the *Downtown San Francisco Ferry Terminal Expansion* project; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to amend Agreement #16-020 with Power Engineering Construction Company and Agreement #10-005 with Roma Design Group to increase the agreements in the combined total amount of \$300,000 to support the additional 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 January 10, 2019.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2019-01

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Amendment to Agreement with FOTH Infrastructure & Environment, LLC to Provide Additional Engineering and Construction Management Services for the Ferry Terminal Dredging Projects

Recommendation

Approve the following actions related to the *Terminal Dredging – Vallejo and South San Francisco* project:

1. Approve Amendment No. 2 to Agreement #17-028 with FOTH Infrastructure & Environment, LLC (Foth IE) for construction management services to increase the total contract amount by \$65,000 and extend the contract term end date to May 31, 2019 to support additional required work; and
2. Authorized a \$65,000 increase to the FY 2018/19 Capital Budget for the *Terminal Dredging – Vallejo and South San Francisco* project.

Background

In January 2018, the Board authorized a contract award to CLE Engineering, Inc. for \$230,000 to support regulatory permitting, project development and provide construction management services for the Ferry Terminal Dredging Projects at Vallejo and South San Francisco.

In August 2018, the Board approved Amendment No. 1 to the agreement increasing the total contract amount by \$40,000 to support additional work required to obtain dredging permits, fender piling design, sediment sampling and testing at the Oyster Point Marina in South San Francisco. This amendment also recognized a company name change from CLE Engineering, Inc. to Foth IE.

Discussion

As WETA's construction manager and "Owner's Representative", Foth IE is responsible for regulatory agency permitting and overseeing the dredging contractor's performance. This work includes monitoring on-site work daily and inspecting and confirming the quality of work by the contractor. In addition, Foth IE 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.

Dredging at Vallejo has been completed; rehabilitation work on the float and main gangway is expecting to be completed by the end of January. The South San Francisco project work is behind schedule. A delay in BCDC permitting of the project resulted in pushing the work outside of the normal dredge window. Work has also been slowed by onsite weather conditions and ocean conditions preventing offshore disposal runs. Ferry service has been unaffected at both terminals. Dredging contractor price is fixed and has not increased with the delays.

At the time of award to Foth IE, WETA anticipated that dredging and associated work at Ferry Terminals at Vallejo and South San Francisco would be complete in 2018. Due to longer than anticipated durations to start and to complete the projects this has increased the work scope and extended the time needed for Foth IE engineering and construction oversight services. To date, Foth IE has provided more services than originally contemplated in their time and materials contract. For Vallejo, this work has included additional coordination efforts and inspection requirements due to the expanded work scope for float and gangway rehabilitation. For South San Francisco, additional work provided and projected to be needed to complete the project includes additional material sampling and testing, coordinating with agencies; permitting of the cluster piles; oversight and site coordination of cluster piles and additional construction management services to cover the extended dredge period.

Staff recommends that the Board approve a contract amendment that would increase the contract amount by \$65,000, to a total not-to-exceed amount of \$335,000, and extend the contract term end date to May 31, 2019. The proposed total contract amount is approximately 7 percent of the project construction costs, which is substantially below the industry standard of 10 to 15 percent and is in line with construction management costs on other similar WETA projects.

Fiscal Impact

The *Terminal Dredging – Vallejo and South San Francisco* project is included in the FY 2018/19 Capital Budget at total project budget of \$5,100,000. A budget increase of \$65,000, bringing the total project budget to \$5,165,000, is required to fully fund the project. This project is funded with a combination of Federal Transit Administration grant funds, AB664 Bridge Toll Revenues and RM 1 – 2% capital funds.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2019-02

APPROVE AMENDMENT NO. 2 TO AGREEMENT WITH FOTH INFRASTRUCTURE & ENVIRONMENT, LLC FOR ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES FOR THE FERRY TERMINAL DREDGING PROJECTS

WHEREAS, the FY 2018/19 Capital Budget includes the *Terminal Dredging – Vallejo and South San Francisco* project at a budget of \$5,100,000; and

WHEREAS, in January 2018 WETA entered into Agreement No. 17-028 with CLE Engineering, Inc. for engineering and construction management services for the *Terminal Dredging – Vallejo and South San Francisco* project for an amount not-to-exceed \$230,000; 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 August 2018, the Board of Directors approved Amendment No. 1 to the Agreement, increasing the contract by \$40,000 to complete additional required work; and

WHEREAS, Amendment No. 1 also included changing the business name from CLE Engineering, Inc. (CLE) to FOTH Infrastructure & Environment, LLC. (Foth IE); and

WHEREAS, permitting delays and unanticipated gangway rehabilitation work has expanded and extended the permitting and oversight work required of the project; and

WHEREAS, WETA staff recommends approval of Amendment No. 2 to Agreement No. 17-027 with Foth IE to increase the contract by \$65,000, for a total not-to-exceed contract amount of \$335,000 and to extend the term of the agreement through May 31, 2019 in order to allow sufficient time and resources to complete the required work; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves Amendment No. 2 to Agreement No. 16-020 with Foth IE increasing the total contract amount by \$65,000 and extending the term of the agreement through May 31, 2019, and authorizes the Executive Director to execute the Amendment; and be it further

RESOLVED, that the Board of Directors authorizes a budget increase to the *Terminal Dredging – Vallejo and South San Francisco* project in the FY 2018/2019 Capital Budget in the amount of \$65,000 to fully fund this project and contract.

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 January 10, 2019.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2019-02

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Keith Stahnke, Operations & Maintenance Manager
Mike Gougherty, Senior Planner/Project Manager

SUBJECT: Overview of Small Vessel Exploratory Study

Recommendation

There is no specific recommendation associated with this information item.

Background

At the March 2018 meeting, the Board directed staff to conduct a study to explore the opportunity to integrate small vessels into WETA's services. The study work was developed by a team from ARUP with the skills and knowledge necessary to provide a concept-level analysis of small vessel services and operational needs and to develop associated capital and operating cost estimates. WETA Board Chair Breckenridge appointed Board members Josefowitz and Intintoli to serve as a board-level Advisory Committee for this study effort.

The first Advisory Committee meeting took place on May 30 and provided an opportunity for the committee members to provide direction regarding the areas of study and the goals and objectives for the effort. A second meeting occurred on July 17, where ARUP shared their initial analysis with the Advisory Committee. The focus of the second meeting was on potential routes, types of vessels to consider and operational constraints of small vessels. WETA staff and ARUP then convened and hosted a Technical Advisory Committee meeting of staff from stakeholder agencies in September to share draft results and solicit input. A third Advisory Committee workshop was held on October 17 that presented draft recommendations regarding potential fleet size, the phasing of a small boat network and concept-level costs. After receiving a final round of input from the Advisory Committee, ARUP presented final recommendations to the group in December. Following this meeting, the Advisory Committee directed staff to present the proposed recommendations of the exploratory study to the Board for discussion.

Discussion

The small vessel exploratory study identifies opportunities for WETA to pursue the development of a small vessel fleet and services. The study identifies specific routes that are best suited for small vessel services and potential "pilot" routes where small boats could be used to test market potential for ferry service. The study also identifies specific areas that would require further study prior to the WETA Board potentially taking separate, future actions to make the necessary financial obligations to build and operate a small vessel fleet. These areas include topics such as a detailed analysis of market demand and operating cost impact, further investigation of vessel design and procurement options, and development of a funding strategy. Pending input

from the full Board of Directors, the results of this study will be formalized as the WETA Small Vessel Exploratory Plan and presented to the Board for consideration at a future date.

The exploratory study envisions a fleet of up to eight small vessels in operation at full buildout. For purposes of the study, the consultant assumed that a small vessel is approximately 30 feet in length and capable of carrying up to 75 passengers. Similarly-sized vessels are currently in operation at the Port of Long Beach, where they are operated by a contract operator for Long Beach Transit. The vessels are assumed to be compatible with WETA's existing facilities, using a high freeboard that is therefore optimal for ADA accessibility. Such a vessel could also potentially operate at low freeboard marinas and docks with a temporary ramp structure to ensure accessibility is maintained. A key assumption in the study is that small vessels can be delivered in half the time it would take for larger vessels, approximately one year for delivery. Actual vessel size and specifications would be developed as a part of any further analysis of the small vessel operating concept.

As part of the study, the consultant developed a series of small vessel implementation principles and service design guidelines to help focus the planning effort and guide future development of a small vessel fleet. Among the implementation principles proposed are that small vessels would be compatible with existing WETA facilities, adhere to WETA's ride quality standards, and be operated in a manner consistent with public transit service ensuring affordable fares, accountability, and integration with the regional transit network. Additionally, the consultant proposed service design guidelines to define potential small vessel applications that are consistent with these implementation principles. Potential applications include operating small vessels to enhance existing services during period of lower demand and providing local service consisting of short haul, high frequency routes.

Based on these implementation principles and service design guidelines, specific services that were identified through the study for small vessels include: connecting service to a new Mission Bay terminal from the San Francisco Ferry Building, service between a new Treasure Island terminal and the Ferry Building, and supplemental service during periods of reduced demand at central bay terminals such as Oakland, Alameda, Harbor Bay, South San Francisco, Richmond and San Francisco. In addition, the study recommends pursuing new or "pilot" projects with small vessels, as a way to test new markets or new service periods.

At a cost of \$3 million per vessel, the study estimates the proposed fleet of eight small vessels costing up to \$24 million. A small vessel berthing facility is projected to cost \$5 million and will be necessary as a fleet of eight boats will need to be stored overnight and maintained. Operating expenses could total up to \$14 million annually at full buildout.

Following the introduction of the item at the Board meeting, staff and the consultant will give a presentation providing a comprehensive overview of the study work and potential next steps for Board discussion.

Fiscal Impact

There is no fiscal impact associated this information item.

END

WETA Small Vessel Study

WETA Board of Directors
January 10, 2018





Presentation Agenda



Small vessel study purpose

What Explore the possibility of utilizing small capacity vessels (small vessels) as an area for future development and/or supplement to existing WETA services.

Why Small vessels may offer the opportunity to add capacity by supplementing existing WETA service while also supporting explorations into new markets and routes.

Outcome Develop a Small Vessel Exploratory Plan that integrates small vessels into WETA's mission and identify topics for further study.

Do small vessels make sense as a WETA service?



Cost

Are they cheaper and faster to implement?



Markets

What markets could small vessels be deployed for?



Infrastructure

Can existing WETA facilities be used by small vessels?



Service

How can small vessels compliment WETA service?

How can small vessels serve WETA's mission?



Geography

Can they serve areas of low demand?



Time

Can they serve during periods of low demand?



Access

Can they serve areas inaccessible to standard WETA vessels?



Crowding

Can they provide capacity relief on existing routes?



Service

Can they provide interim service during planning phases for traditional WETA service?



Exploring Small Vessel Possibilities



What is a small vessel?



“A small passenger vessel is any vessel that is less than 100 gross tons, carrying more than 6 passengers including at least one of which is a passenger for hire, but less than 150 passengers or less than 49 passengers overnight, these vessels are inspected using Subchapter T, the vessel is often referred to as a ‘T-Vessel’.”

- US Coast Guard

Small vessel operators – private services currently available



PropSF

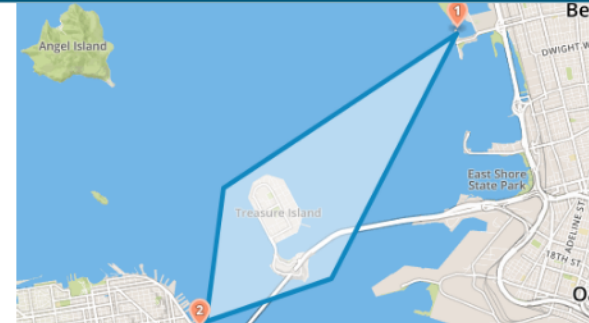
Service

Multiple Locations

15-60 minute frequency

Cost borne by employers

36 – 48 capacity vessel



Tideline

Service

SF - Berkeley

60 minute frequency

\$10 one way fare

22 – 40 capacity vessel

Small vessel study assumptions



The study assumes that small vessels will be:

- ✓
 - WETA owned, ~75 passenger capacity
 - Scheduled services
 - Designed to attain emission standards
 - Operated as public transit, using WETA facilities and contract operators
- 💰
 - Costs approximately \$3M per vessel (further study required)

The study assumes the small vessels will *not* be:

- ⊘
 - Unscheduled service (water taxis) or excursion services
 - Using existing marina docks without making access improvements

Future study will consider alternate model using non-WETA own vessels

What are small vessel success factors?

- Terminal Compatibility
- Market Accessibility
- Universal Design

What do small vessels cost?

Current WETA Average Costs

- 267 seats/vessel
- \$81.17 cost per vessel mile
- **30 ¢ cost per seat mile**

Estimated Small Vessel Costs

- 75 seats/vessel
- \$36.50 cost per vessel mile
- **49 ¢ cost per seat mile**

What do small vessels cost?

Current WETA Average Costs	Estimated Small Vessel Costs
<ul style="list-style-type: none"> • 267 seats/vessel • \$81.17 cost per vessel mile • 30 ¢ cost per seat mile 	<ul style="list-style-type: none"> • 75 seats/vessel • \$36.50 cost per vessel mile • 49 ¢ cost per seat mile

Cost Comparison

Harbor Bay – SF Example
AM Peak Demand = 700 passengers | 300 Avg Peak Hour

<ul style="list-style-type: none"> • 4 trips scheduled – 4 vessel hours • \$1,650 cost per vessel hour • \$10.47 per passenger gross cost 	<ul style="list-style-type: none"> • 9 trips scheduled – 10 vessel hours • \$740 cost per vessel hour • \$11.75 per passenger gross cost
--	---

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Threshold to Convert to Small Vessels: < 150 passenger per hour



Small Vessel Principles & Guidelines



Small vessel implementation principles

Principles	Description
1) Compatibility with existing facilities	<ul style="list-style-type: none"> • Reduce potential infrastructure costs and ensure ADA accessibility • Deploy as component of WETA's Emergency Operations Plan
2) Grow fleet incrementally	<ul style="list-style-type: none"> • Develop procurement and funding schedule • Identify maintenance and berthing space locations
3) Faster delivery	<ul style="list-style-type: none"> • Initial delivery of three (3) vessels for Phase I service
4) Maintain ride quality standards	<ul style="list-style-type: none"> • Uncertain and potentially unacceptable ride quality for customers exposed on longer distance routes • Reduced service reliability due to wave conditions in inclement weather (including high winds)
5) Public transit model	<ul style="list-style-type: none"> • Maintain seamless integration for public access and interaction • Consistency with regional fare and transit network • Promote accountability as a public agency
6) Cost effective	<ul style="list-style-type: none"> • Certain service needs are more cost effective being served with small vessels • Capital project implementation is faster, less expensive

Small vessel service design guidelines

Guideline	Description
Enhance Existing Services	<ul style="list-style-type: none"> • Extend existing service hours for early morning or late evening periods of lower demand • Replace larger vessels on trips during the mid-day • Fill schedule gaps • Provide weekend service on routes with lower weekend demand
Provide Local Service	<ul style="list-style-type: none"> • Short haul trips where high levels of frequency are desired • Provides high ride quality trips meeting WETA standards • Feeder service for regional routes • Enables larger vessels to be reserved for higher demand regional routes
Hot Spares	<ul style="list-style-type: none"> • Provide on-demand back up as needed
<i>Service Design Guideline Considered but Discarded</i>	
Peak-of-the Peak Supplement	<ul style="list-style-type: none"> • Strategic insertion of a small vessel run on an existing service during the peak-of-the-peak period

Monitoring small vessel performance

Key metrics and goals



**Service Hour
Occupancy**



**Passengers
Per Revenue
Hour**



**Passengers
Per Seat Mile**



**Farebox
Recovery**



**Leave
Behinds**

Potential small vessel routes – Routes explored



Short (1-5 miles)

- SF – Mission Bay
- SF – Treasure Island
- Oakland Estuary
- SF Waterfront



Medium (6-14 miles)

- Benicia – Vallejo
- SF – Central Bay












Long (+15 miles)

- SF – Redwood City
- SF – Vallejo
- SF – Antioch /Martinez

Small vessel design applications

Considered but rejected

Routes	Implementation Principles		
	1) Facility compatibility	4) Ride quality	6) Cost effective
Benicia – Vallejo			
Oakland Estuary – East of Jack London Square			
SF – Redwood City			
SF – Vallejo & Antioch/ Martinez			

Small vessel design applications

Phase I

Routes	Design Guidelines		
	Enhance existing services	Provide Local Service	Use for Hot Spares
SF – Central Bay	√	√	√
SF – Mission Bay	√	√	
SF – Treasure Island		√	

Small vessel design applications

Phase II

Routes	Design Guidelines		
	Enhance existing services	Provide Local Service	Use for Hot Spares
SF – Central Bay	√	√	√
SF – Mission Bay	√	√	
SF – Treasure Island		√	
Pilot Project Phases	√	√	√



Building a Small Vessel Fleet



Building small vessel fleet

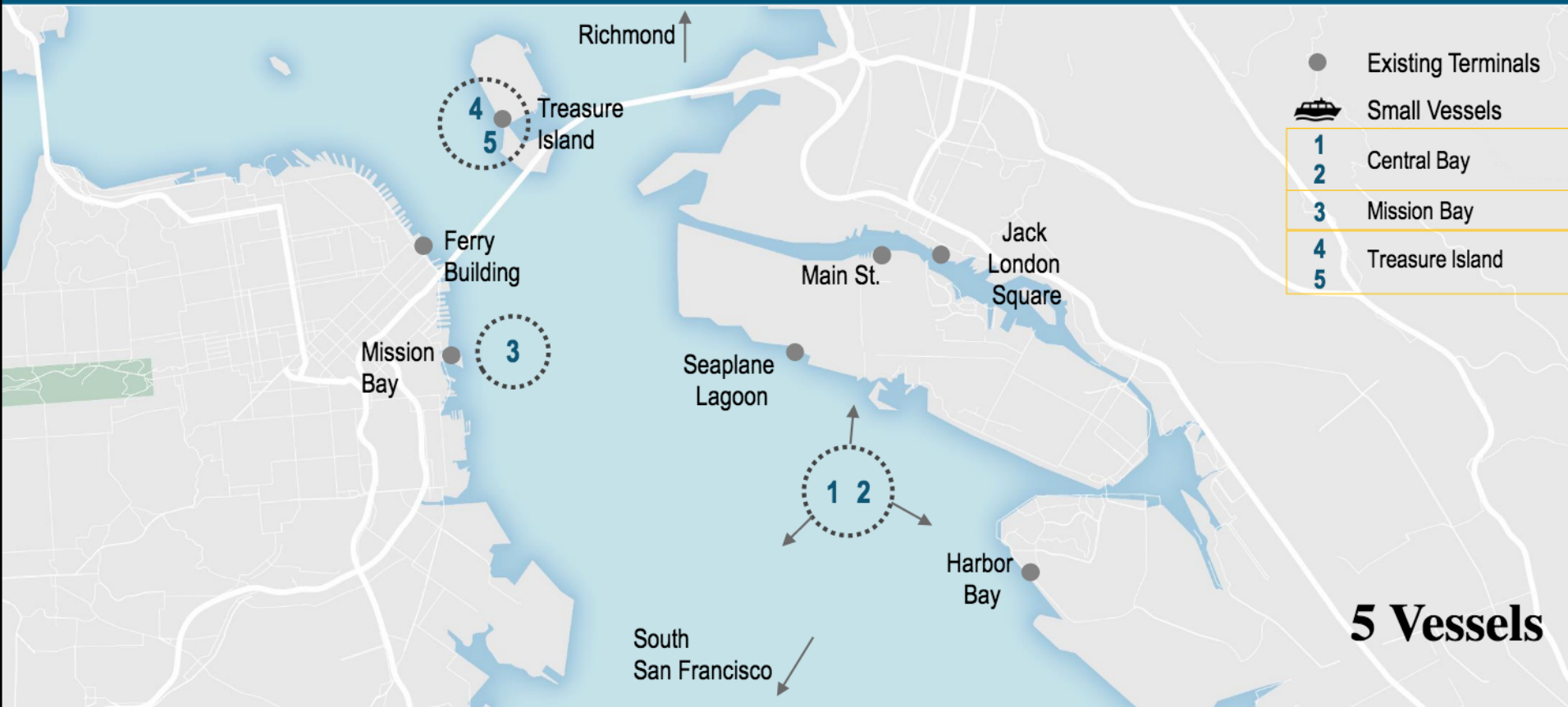
Implementation Phase	Route	# of Vessels
Phase I	SF – Central Bay	2
	SF – Mission Bay	1
	SF – Treasure Island	2
Phase II	Pilot Project Phases	3
Total Vessels		8

Small vessel fleet – Phase I

Central Bay: Early morning, midday, late night, weekend

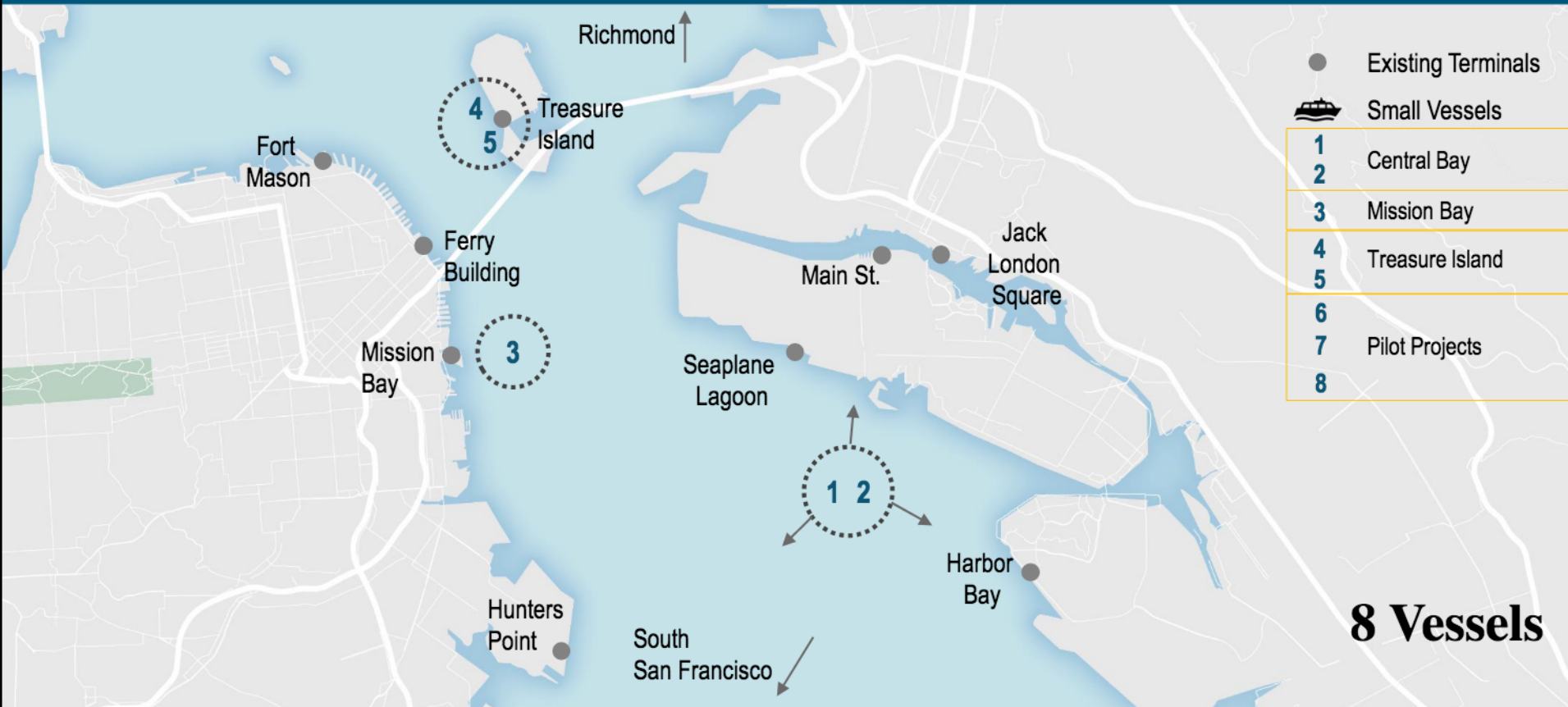
Mission Bay: 30 minute service

Treasure Island: 15 minute service



Small vessel fleet – Phase II

Pilot projects



8 Vessels

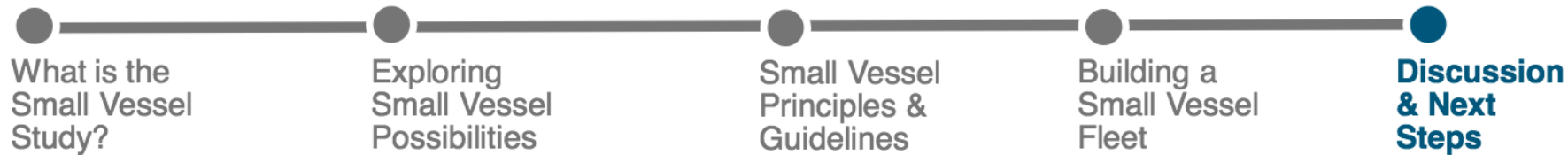
Draft fleet plan

Year	Route	Number of Assigned Vessels	Annual Expense	Capital Cost
Phase I	SF – Central Bay SF – Mission Bay SF – Treasure Island	5	\$11.5M	\$15M
Phase II	Pilot Projects	3	\$2M	\$9M
Infrastructure Support	Small Vessel Berthing Facility			\$5M
Total All Phases & Infrastructure Support		8	\$13.5M	\$29M

*Does not include all related landside infrastructure



Discussion & Next Steps



Next steps

- Draft and finalize Small Vessel Exploratory Plan for Board of Directors consideration
- Begin efforts to develop:
 - Detailed analysis of market demand and operating cost impact
 - Further investigation of vessel design and procurement options
 - Define Pilot Program objectives and parameters
 - Develop funding strategy

