

Members of the Board

Jody Breckenridge, Chair
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**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, December 12, 2019 at 1:30 p.m.
Port of San Francisco
Pier 1
San Francisco, CA**

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 – November 7, 2019
7. RECEIVE THE INDEPENDENT AUDITORS’ REPORTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019 **Action**
8. APPROVE SEAPLANE LAGOON FERRY TERMINAL OPERATING AGREEMENT, LICENSE AGREEMENT AND BILL OF SALE WITH THE CITY OF ALAMEDA **Action**
9. ALAMEDA/OAKLAND – SEAPLANE LAGOON SERVICE CHANGES OUTREACH **Information**

**Water Emergency Transportation Authority
December 12, 2019 Meeting of the Board of Directors**

10. APPROVE CONTRACT AMENDMENTS WITH MAVRIK MARINE INC. AND GLOSTEN FOR CONSTRUCTION OF A SECOND NEW COMMUTER CLASS (OPTION) VESSEL

Action

11. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

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

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

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

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

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

M E M O R A N D U M

TO: WETA Board Members
FROM: Nina Rannells, Executive Director
DATE: December 12, 2019
RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE

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 approved a contract award to Dakota Creek Industries for vessel construction.

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.

The first vessel, the MV *Pyxis*, entered service on March 1. The second vessel, the MV *Vela* entered service on August 28. The third vessel MV *Lyra* is nearing completion, sea trials are scheduled for early March and delivery to the Bay Area will follow shortly thereafter.

New Commuter Class Vessel

This project will construct a mid-size high-speed passenger vessel with the versatility to support WETA's diverse system of routes and facilities constrained by vessel size and water depth. On March 1, 2018, the Board approved a contract award to Glostren for Construction Management Services to support vessel construction. On October 4, 2018, the Board approved a contract award to Mavrik Marine, Inc. for vessel construction.

Keel laying and construction commenced on December 18, 2018. Workmanship is very good and Mavrik is using established procedures to meet WETA's expectations for quality. Hull and superstructure plating are mostly finished. Insulation, plumbing and wiring has started as major propulsion components are being prepared for installation. As the structural welding is wrapping up project management has focused on scheduling. Final delivery is scheduled for early June. Mavrik resources are adequate to meet the schedule while assuring that the quality remains consistent.

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 service expansion, 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 Jacobs Engineering. Construction began in February 2017 and is scheduled to be fully completed by early 2020. Gates F & G are complete and WETA service has been fully transitioned from existing Gate E to the new gates. The construction fencing surrounding the south portion of the construction site and the scaffolding around the perimeter of the Agriculture Building have been removed and these areas are now open to the public. The gangway and float for Gate E were removed in April and are in the process of being reinstalled at the terminal. The remaining on-site construction work will now be focused on the north side of the Agriculture Building where the contractor is proceeding with construction of a new plaza that will function as a passenger waiting and queuing area.

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, establishing roles and responsibilities for the joint development of this project. Staff has worked together with Port staff and their consultants on initial design and environmental testing activities. The environmental document, final design and permitting are complete. In October, the Port released a Request for Proposals for a Construction Manager/General Contractor-at-risk contract structure. The Port anticipates awarding the contract by February 2020. The Port is working to identify funds to move the project forward to construction this fall and has submitted a request for WETA to program \$25 million in Regional Measure 3 funding to support project construction, estimated to cost approximately \$40 million. The Board received a presentation on this project and Port request at the June 2019 meeting and staff is working to bring more information for Board discussion in early 2020.

Temporary Service to Golden State Warriors Chase Center Events

WETA began special event service to a new temporary terminal located at Pier 48 ½ on October 5, 2019. WETA worked with the Port of San Francisco, the Golden Gate Bridge, Highway and Transportation District (Golden Gate Ferry) and the Golden State Warriors to plan and construct a temporary ferry terminal at Pier 48 ½ for use in serving Chase Center special events prior to the construction of the planned permanent Mission Bay ferry terminal. The temporary terminal utilizes WETA's spare float, which is normally located on Mare Island. The float will be in place for two years – unless needed earlier for an emergency event - when it will be needed for the next dredging event in Vallejo. The Board approved contract award to CS Marine for marine services at the July 2019 Board meeting. The Port of San Francisco and WETA have executed a lease for the new facility and a MOU and landing agreement that also includes Golden Gate Ferry.

Oakland Athletics Howard Terminal Stadium Proposal

WETA staff has met on a few occasions with the Oakland Athletics organization (Athletics) and the Howard Terminal stadium development team. WETA submitted a comment letter during the scoping phase for the anticipated Environmental Impact Report (EIR) identifying terminal capacity limitations at the existing Jack London Square terminal in Oakland for consideration during the EIR process. The Athletics are currently assuming that existing commute-period ferry service will satisfy the demand from San Francisco.

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 contracted with Marcy Wong Donn Logan Architects to complete the final design of the ferry terminal.

The transfer of property from the City to the development team - Alameda Point Partners - included a \$10 million contribution toward the Seaplane Lagoon Ferry Terminal. The City previously secured \$8.2 million from the Alameda County Transportation Commission for the terminal and has recently committed \$2 million from City general funds. In September 2018 the Board authorized a commitment of \$2 million to the project to close a funding gap and keep the project on schedule for construction. Alameda Point Partners (APP) has begun construction on the overall Site A project and a groundbreaking for construction of the new Seaplane Lagoon terminal took place on September 12. The terminal float will be constructed by Bay Ship & Yacht, with oversight from Power Engineering. WETA staff is working with APP and City staff to support the construction effort and to develop plans for new service. Staff is working with the City on an operating agreement for the new terminal that anticipates the start of operations in August 2020. The Operating Agreement and companion License Agreement are being presented to the Board in December 2019 for consideration.

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 and pursue feasibility study funds to move the project toward implementation.

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 were in attendance. The two-hour site event consisted of a visit to an adjacent property to view a potential ferry terminal location and an hour of presentations and discussion among the group.

Redwood City is currently 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 and has entered into an agreement with the San Mateo County Transportation Authority to develop and adopt the Feasibility Study and Business Plan. The feasibility study, which kicked off in February 2019 with a meeting that included a consultant team and staff from the City and Port of Redwood City along with WETA, is expected to take 12 to 14 months to complete. Concurrent with this activity, Redwood City, the Port of Redwood City and WETA staff are developing a project MOU for future Board consideration in early 2020 that defines agency roles and responsibilities for working together to advance the feasibility study and potential future terminal planning and development.

Berkeley Ferry Terminal

The proposed Berkeley service will provide an alternative transportation link between Berkeley and downtown San Francisco. In July 2019, the City of Berkeley (Berkeley) and WETA executed a MOU to proceed with the planning phase of this project, which will include a study to evaluate the feasibility of constructing a dual-use pier facility at or near the Berkeley Municipal Pier that would serve as both a ferry terminal and public access space. Upon completion, the findings of the study will be presented to the Board and City Council for consideration, consistent with the terms of the MOU. The City of Berkeley has contracted with GHD to support the study which is expected to require 18 months to complete. WETA and Berkeley are involved in feasibility study activities, including evaluation of landside and waterside options for developing a terminal at the existing recreational pier site on the Berkeley waterfront.

Treasure Island Ferry 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 (TIMMA), and Lennar Urban, the prospective developer – had committed to implementing new ferry service between Treasure Island and downtown San Francisco in the 2011 Treasure Island Transportation Implementation Plan, currently posted on the SFCTA website. SFCTA recently announced that it is hoping to advance the opening of the new ferry service from 2023 to 2021.

Staff has worked with City of San Francisco staff over the years to support development of this project. Staff from SFCTA/TIMMA provided an update on the project and the transportation plan at the February and April 2019 Board meetings. At these meetings, SFCTA staff indicated that the planned transportation program funds to be provided through a new Treasure Island toll program, parking fees, fare revenues and developer subsidy would not be sufficient to fully cover the cost of their planned transportation program, including ferry service - especially in the early years - with an anticipated early start date of 2021. As a result, they noted that they were looking for additional funding and that they had reached out to private operators about operating ferry service. SFCTA previously indicated that it was working toward a toll measure for TIMMA Board consideration this summer. The schedule for this work has been delayed. In the meantime, the developer began construction of the ferry terminal in early September. WETA staff has been coordinating review of the terminal under construction with the Treasure Island developer and contractor and is preparing to bring a project update to the Board in early 2020.

Tideline Marine Group Private Shuttle Pilot

In September 2018, the WETA Board approved Tideline Marine Group's request to conduct scheduled small vessel private charter landings with the vessel *Osprey* at the Harbor Bay Ferry Terminal for the exclusive use of Exelixis employees on a six-month demonstration basis subject to meeting WETA's conditions and requirements. Tideline met all requirements and began landing at Harbor Bay on February 27, 2019. Ridership since inception has averaged 12 roundtrip passengers per day.

In anticipation of the August 25, 2019 expiration of the landing agreement, Tideline requested a one-year extension to continue landing its private charter service at WETA's Harbor Bay terminal. Staff presented the request to the Board at its August 2019 meeting and the Board amended the agreement extending the term for six months to February 28, 2020, with the understanding that Tideline will provide status updates on its meetings with labor and be available to provide an in-person report at the January 2020 Board Meeting.

SYSTEM PLANS/STUDIES

Hovercraft Feasibility Study

This study will broadly consider the feasibility of operating hovercraft on San Francisco Bay as part of the WETA water transit system. A Hovercraft Stakeholder Committee will be assembled, comprised of hovercraft industry representatives, advocates from Bay Area public policy groups, environmental organizations and maritime industry representatives to guide the study. Staff will also convene a Hovercraft Technical Advisory Committee to review and provide input on preliminary results of the study. On September 5, the Board of Directors authorized a contract award to AECOM and staff has subsequently executed a professional services agreement for the study. Staff met with AECOM in early October to kick-off the study, which is anticipated to require 12 months to complete. The initial task for the consultant team is to review WETA's 2011 Study and update areas such as technology, environmental performance and costs. Those results are expected in early 2020.

Fare Program Renewal Study

WETA's current fare program was adopted in 2014 to promote consistent fare structures and implement small fare changes on an annual basis to ensure that WETA fares kept pace with the cost of inflation. As WETA's current fare program ends this fiscal year, a new program will need to be adopted to continue implementing annual fare changes in future fiscal years. WETA has contracted with Four Nines Technologies to provide consultant services to support development of a new multiyear fare program. In October, staff presented a set of preliminary goals and objectives for the renewal of WETA's fare program at the Board meeting. Staff anticipates presenting a proposed fare program to the Board in February alongside a request to initiate public outreach efforts.

Short Range Transit Plan Update

The Metropolitan Transportation Commission (MTC) requires each transit operator receiving federal transit funding to prepare, adopt, and submit a Short Range Transit Plan (SRTP) outlining its public transit services and related operating and capital costs and projects over a ten-year projection period. These plans are used to verify compliance with various federal requirements and to validate system capital rehabilitation and replacement projects and needs submitted for funding through separate MTC and Federal Transit Administration grant processes. Pursuant to MTC requirements, staff has begun preparing an updated SRTP for FY 2019-20 to FY 2028-29. In November, an informational item of the SRTP update was provided to the Board. Staff anticipates presenting a draft of the updated SRTP to the Board in early 2020 with a request to authorize release of the plan for public input.

FASTER Bay Area Program Development

WETA's Executive Director and Planning & Development Manager are participating in a coordinated effort with the Bay Area's large transit operators to develop a program approach and projects for consideration for inclusion in the potential future FASTER Bay Area funding initiative. The Board was provided an overview of this initiative at the September meeting. Staff work to support development of the framework for the potential future measure and inclusion of WETA's program is ongoing.

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:

- WETA participated in Blue & Gold Fleet's annual Spill Management Tabletop Exercise held at the North Bay Operations and Maintenance Facility on November 19 and 20. The

exercise met the requirement to operate as an over-water fueling facility for WETA's Central Bay and North Bay locations as well as for Blue & Gold Fleet's Pier 9 and Pier 41 locations. For drill purposes, the EOC was activated and the Incident Command System (ICS) was implemented to respond to a scenario of a Bay Area earthquake causing a pipeline rupture and engine oil to be spilled into the water. Attendees included representatives from the National Response Center (NRC), Office of Spill Prevention and Response (OSPR) and California Department of Fish and Wildlife (CDFW).

- Staff included some funds in the FY 2019/20 operating budget to work with Blue & Gold Fleet to conduct additional crew training on deployment of life saving equipment above and beyond United States Coast Guard (USCG) required training. This will ensure crews get hands-on training and experience in deploying the life-saving equipment (Inflatable Buoyant Apparatuses and slides) that are on all WETA vessels in a safe and controlled environment. This training is anticipated to be complete by early 2020.
- Staff is in the beginning stages of developing a curriculum or program to provide crew training for an active shooter scenario. Staff is currently working with the USCG to find lessons learned from across the country and over the next several months will be meeting with all Bay Area ferry operators to gather input and ensure training is consistent across the region.
- WETA, USCG, Port of San Francisco, San Francisco Department of Emergency Management and Port of Oakland staff are working on a concept to develop a plan to utilize marine resources, operating when the ferry service is not operating, to provide initial transportation services to first responders after a major event such as an earthquake. For example, during the late-night hours when ferries are not operating, the tug-boats that are out on the bay may be able to provide transportation for first responders in the immediate first couple of hours until the ferry service can ramp up. While currently only a concept, if fully developed, this effort would be integrated into WETA's emergency plans, written into the Continuity of Operations Plans for Bay Area first responder agencies, and developed into a USCG plan similar to the Bay Area's Vessel Mutual Assistance Plan. This concept was discussed at the November Harbor Safety Committee meeting and assigned to both the Tug and Ferry Operator Working Groups of the Harbor Safety Committee.

OPERATIONS REPORT

Clipper 2

Staff is attending a series of discussion calls to review the concepts of Clipper 2 (C2), the upgraded CID Validator for Clipper users. These calls provide an opportunity for transit agency staff to work directly with Cubic's C2 design team to review the validator solution and its related components. The new C2 validator system is anticipated to go live in September of 2022.

Monthly Operating Statistics - The Monthly Operating Statistics Report for October 2019 is provided as ***Attachment A***.

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On November 5, Nina Rannells toured the Montezuma Wetlands Restoration site in Solano County, which is an upland dredge dump site that receives dredge sediment as a part of a larger effort to restore this area to tidal wetlands.

On November 8, Lauren Gularte attended the regional Business Outreach Committee's monthly meeting.

On November 12, Taylor Rutsch and Arthi Krubanandh attended the Plan Bay Area 2050 Super RAWG which focused on the Transportation Element of Plan Bay Area.

On November 13-14, Nina Rannells and Thomas Hall attended the California Transit Association's fall conference in Monterey.

On November 14, Lauren Gularte and Kevin Donnelly attended the monthly Harbor Safety Committee Meeting.

On November 15, Mike Gougherty accompanied hosts from the Warriors Outsiders broadcast onboard a WETA vessel providing special event Chase Center service.

On November 18, Nina Rannells attended the Clipper Executive Board meeting.

On November 20, Lauren Gularte participated in the Critical Transportation Capabilities Review Workshop hosted by the Urban Area Security Initiative.

On November 20, Nina Rannells attended an informational update on the Oakland A's efforts to develop a new baseball stadium at the Port of Oakland hosted by the Bay Planning Coalition's Sustainable Waterfront Committee.

On November 21, Thomas Hall participated in the quarterly Clipper customer education/service and distribution meeting.

On November 21, Nina Rannells, WETA staff and legal counsel met with Ray Tellis, the Federal Transit Administration's new Regional Administrator, and his executive staff to provide them an update on WETA activities and discuss a path forward for the Solano Replacement Project.

On November 21, Keith Stahnke, gave a presentation to The Society of Port Engineers of San Francisco, providing an update on WETA activities and vessel construction.

On December 4, Lauren Gularte participated in the Region IX Title VI Working Group quarterly meeting.

On December 4-6 Nina Rannells, Keith Stahnke and Tim Hanners attended the 2019 International WorkBoat Show in New Orleans where WETA presented an overview of its system and vessel program. WETA's new Pyxis class vessels (Pyxis, Vela, Lyra) built by Dakota Creek Industries, with the first EPA Tier 4 engines of their size, were recognized as one of the 10 Significant Boats of 2019.

OTHER BUSINESS

Regional Measure 3

In June 2018 Bay Area voters approved Regional Measure 3 (RM3) which raises Bay Area bridge 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.

Since its passage, RM3 has been challenged by two lawsuits in the Superior Court of the City and County of San Francisco including the *Howard Jarvis Taxpayers Association, et al v. The Bay Area Toll Authority and the California State Legislature* and *Randall Whitney v. MTC*. These cases were dismissed by the Court on April 23, 2019 and June 11, 2019, respectively. A Notice of Appeal was filed by the Howard Jarvis Taxpayers Association on May 20, 2019 and in

the Whitney case on July 11, 2019. These two appeal cases were consolidated on October 9, 2019. The appellants' consolidated opening brief was filed on October 29, 2019.

On January 1, 2019 BATA began collecting the first dollar of the approved toll increase. Toll revenues collected are being placed into an escrow account and will not be allocated to project sponsors until the lawsuits are settled. MTC staff has prepared general guidelines for RM3 program administration for the Commission to consider in December, including a process for considering a Letter of No Prejudice, which would allow a local sponsor to move forward to spend local funds on a project that could be reimbursed later with RM3 funds if and when they are available. Staff is communicating with MTC to prepare to secure toll measure funds when they are available to support WETA's projects.

Prop SF CPUC Filing

On October 11, WETA filed a response to an application by Prop SF, LLC to amend its certificate of public convenience and necessity (CPCN) to allow Prop SF to add unscheduled, prearranged vessel common carrier service between points in San Francisco, Marin, the Peninsula and the East Bay, establish rates therefore, and a zone of rate freedom ("ZORF") of 20% for both scheduled and unscheduled services. By way of background, in 2016, Prop SF obtained a CPCN from the California Public Utilities Commission (CPUC) to provide scheduled vessel common carrier service for service routes between San Francisco, Emeryville, Berkeley and Redwood City. At the same time, another operator, Tideline Marine Group (Tideline), obtained a CPCN to provide vessel common carrier authority for both scheduled (landings in San Francisco, Berkeley and Emeryville) and unscheduled, on-call "water taxi" service (landings in San Francisco, Marin County and the East Bay). WETA filed a response to the applications, stating its position that private operators can contribute to the development of a better water transportation system, but regulation is necessary to ensure that the private operators do not interfere with WETA's operations.

Prop SF seeks to amend its 2016 CPCN to add authorization to provide prearranged, unscheduled vessel common carrier service, which it characterizes as similar to the authority granted to Tideline in 2016. WETA's response reiterated the position expressed in the previous proceeding that while small scale water taxi operations have limited potential to affect WETA's operations, the potential for disruption to WETA's operations grows as water taxi service increases in scale. WETA's response requests that the CPUC consider further environmental review and analysis of unscheduled, prearranged service as the scope and frequency of such service intensifies, and to consider further definition of, or parameters for, unscheduled, prearranged service by private operators as to avoid interference with WETA's operations. WETA's response also recaps WETA's statutory mandate to plan, operate and manage a comprehensive water transportation system in the San Francisco Bay and WETA's interest in a regulatory approach that is consistent with that mandate. Prop SF has replied to WETA's response asserting that no further CEQA review should be required at any point, that its proposed service will not affect WETA's operations and proposes a broad definition of unscheduled, prearranged service.

The CPUC will consider the filings and determine whether a hearing is necessary and, if so, on what issues. If a hearing is deemed necessary WETA will have the opportunity to file additional pleadings. The CPUC will likely take at least 45-60 days to decide. Staff will continue to monitor this proceeding and applications to operate similar service consistent with prior Board direction.

END

Attachment A

Monthly Operating Statistics Report October 2019

| | | | Alameda/ Oakland | Harbor Bay * | Richmond | South San Francisco | Vallejo | Systemwide |
|-----------|--|-------------------------------------|------------------------------------|--------------|----------|------------------------|---------|------------|
| Boardings | vs. last month | Total Passengers October 2019 | 138,345 | 34,232 | 23,470 | 14,480 | 99,998 | 310,525 |
| | | Total Passengers September 2019 | 130,430 | 29,607 | 20,988 | 12,580 | 99,219 | 292,824 |
| | | Percent change | 6.07% | 15.62% | 11.83% | 15.10% | 0.79% | 6.04% |
| | vs. same month last year | Total Passengers October 2019 | 138,345 | 34,232 | 23,470 | 14,480 | 99,998 | 310,525 |
| | | Total Passengers October 2018 | 132,594 | 33,702 | 23,470 | 13,712 | 98,205 | 278,213 |
| | | Percent change | 4.34% | 1.57% | 0.00% | 5.60% | 1.83% | 11.61% |
| | vs. prior FY to date | Total Passengers Current FY To Date | 574,156 | 126,664 | 85,889 | 52,746 | 423,259 | 1,262,714 |
| | | Total Passengers Last FY To Date | 562,604 | 123,696 | 85,889 | 50,706 | 417,812 | 1,154,818 |
| | | Percent change | 2.05% | 2.40% | 0.00% | 4.02% | 1.30% | 9.34% |
| | | | Avg Weekday Ridership October 2019 | 4,634 | 1,488 | 855 | 630 | 3,715 |
| Ops Stats | Passengers Per Hour October 2019 | | 171 | 175 | 90 | 139 | 125 | 143 |
| | Revenue Hours October 2019 | | 811 | 196 | 261 | 104 | 803 | 2,175 |
| | Revenue Miles October 2019 | | 8,980 | 3,363 | 3,728 | 1,888 | 22,033 | 39,992 |
| | Farebox Recovery Year-To-Date | | 72% | 51% | 34% | 40% | 69% | 64% |
| | Cost per Available Seat Mile - October 2019 | | \$0.33 | \$0.37 | \$0.37 | \$0.43 | \$0.20 | \$0.28 |
| | Average peak hour utilization, AM - October 2019 | | 68% | 62% | 40% | 58% | 71% | 60% |
| | Average peak hour utilization, PM - October 2019 | | 77% | 69% | 45% | 63% | 75% | 66% |
| Fuel | Fuel Used (gallons) - October 2019 | | 69,800 | 18,853 | 16,482 | 14,039 | 209,921 | 329,094 |
| | Avg Cost per gallon - October 2019 | | \$2.66 | \$2.66 | \$2.66 | \$2.66 | \$2.63 | \$2.64 |

MEMORANDUM

TO: Board Members

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

**SUBJECT: Monthly Review of FY 2019/20 Financial Statements for Four Months
Ending October 31, 2019**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2019/20 Financial Statements for four months ending October 31, 2019.

Operating Budget vs. Actual

| | Prior Actual | Current Budget | Current Actual |
|---------------------------------------|---------------------|---------------------|---------------------|
| Revenues - Year To Date: | | | |
| Fare Revenues | \$8,430,058 | \$8,173,332 | \$9,263,719 |
| Bridge Toll Revenues | 5,325,744 | 7,380,767 | 5,193,357 |
| Contra Costa Measure J | - | 1,102,733 | 969,382 |
| Other Revenues | 5,400 | 243,800 | 18,675 |
| Total Operating Revenues | \$13,761,202 | \$16,900,633 | \$15,445,133 |
| Expenses - Year To Date: | | | |
| Planning & Administration | \$631,069 | \$1,000,000 | \$708,197 |
| Ferry Services | 13,130,133 | 15,900,633 | 14,736,936 |
| Total Operatings Expenses | \$13,761,202 | \$16,900,633 | \$15,445,133 |
| System-Wide Farebox Recovery % | 64% | 51% | 63% |

Capital Actual and % of Total Budget

| | YTD Actual | % of FY 2019/20 Budget |
|-------------------------------|---------------------|---------------------------|
| Revenues: | | |
| Federal Funds | \$8,507,856 | |
| State Funds | 6,662,343 | |
| Bridge Toll Revenues | 2,529,623 | |
| Other Revenues | 96,792 | |
| Total Capital Revenues | \$17,796,614 | 23.79% |
| Expenses: | | |
| Total Capital Expenses | \$17,796,614 | 23.79% |

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

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San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Four Months Ending 10/31/2019

% of Year Elapsed 33%

| | Year - To - Date | | | | Total FY2019/20 Budget | % of Total Budget |
|--|--------------------|--|---------------------|---------------------|------------------------------|-------------------------|
| | Oct-19 Actual | FY2018/19 Actual | FY2019/20 Budget | FY2019/20 Actual | | |
| OPERATING EXPENSES | | | | | | |
| <u>PLANNING & GENERAL ADMIN:</u> | | | | | | |
| Wages and Fringe Benefits | \$123,976 | \$385,730 | \$502,967 | \$474,545 | \$1,508,900 | 31.4% |
| Services | 143,090 | 291,483 | 589,633 | 406,482 | 1,768,900 | 23.0% |
| Materials and Supplies | 1,359 | 1,012 | 20,800 | 2,937 | 62,400 | 4.7% |
| Utilities | 5,304 | 12,818 | 17,167 | 14,959 | 51,500 | 29.0% |
| Insurance | - | 1,200 | 9,533 | 1,046 | 28,600 | 3.7% |
| Miscellaneous | 6,393 | 44,291 | 36,533 | 17,487 | 109,600 | 16.0% |
| Leases and Rentals | 32,301 | 125,170 | 128,400 | 128,785 | 385,200 | 33.4% |
| Admin Overhead Expense Transfer | (91,247) | (230,635) | (305,033) | (338,043) | (915,100) | 36.9% |
| Sub-Total Planning & Gen Admin | \$221,175 | \$631,069 | \$1,000,000 | \$708,197 | \$3,000,000 | 23.6% |
| FERRY OPERATIONS: | | | | | | |
| <u>Harbor Bay FerryService (AHBF)</u> | | | | | | |
| Purchased Transportation | \$201,920 | \$784,644 | \$843,300 | \$743,402 | \$2,529,900 | 29.4% |
| Fuel - Diesel & Urea | 54,359 | 173,383 | 185,500 | 200,507 | 556,500 | 36.0% |
| Other Direct Operating Expenses | 48,163 | 180,562 | 263,000 | 178,012 | 789,000 | 22.6% |
| Admin Overhead Expense Transfer | 10,037 | 28,457 | 33,633 | 37,193 | 100,900 | 36.9% |
| Total Harbor Bay | \$314,479 | \$1,167,046 | \$1,325,433 | \$1,159,115 | \$3,976,300 | 29.2% |
| Farebox Recovery - AHBF | 57% | 51% | 45% | 51% | 45% | |
| <u>Alameda/Oakland Ferry Service (AOFS)</u> | | | | | | |
| Purchased Transportation | \$772,823 | \$3,208,416 | \$3,196,167 | \$3,065,246 | \$9,588,500 | 32.0% |
| Fuel - Diesel & Urea | 200,946 | 666,468 | 719,400 | 739,947 | 2,158,200 | 34.3% |
| Other Direct Operating Expenses | 173,057 | 649,127 | 920,033 | 635,009 | 2,760,100 | 23.0% |
| Admin Overhead Expense Transfer | 40,885 | 102,573 | 136,533 | 151,478 | 409,600 | 37.0% |
| Total Alameda/Oakland | \$1,187,711 | \$4,626,583 | \$4,972,133 | \$4,591,680 | \$14,916,400 | 30.8% |
| Farebox Recovery - AOFS | 68% | 68% | 57% | 72% | 57% | |
| <u>Vallejo FerryService (Vallejo)</u> | | | | | | |
| Purchased Transportation | \$1,047,073 | \$3,715,437 | \$3,955,933 | \$3,913,199 | \$11,867,800 | 33.0% |
| Fuel - Diesel & Urea | 553,988 | 1,913,658 | 2,110,867 | 1,918,706 | 6,332,600 | 30.3% |
| Other Direct Operating Expenses | 124,217 | 499,222 | 818,800 | 574,878 | 2,456,400 | 23.4% |
| Admin Overhead Expense Transfer | 30,846 | 85,582 | 103,067 | 114,293 | 309,200 | 37.0% |
| Total Vallejo | \$1,756,123 | \$6,213,898 | \$6,988,667 | \$6,521,076 | \$20,966,000 | 31.1% |
| Farebox Recovery - Vallejo | 60% | 70% | 57% | 69% | 57% | |
| <u>South San Francisco FerryService (SSF)</u> | | | | | | |
| Purchased Transportation | \$182,817 | \$814,214 | \$801,967 | \$702,817 | \$2,405,900 | 29.2% |
| Fuel - Diesel & Urea | 40,408 | 132,251 | 149,100 | 146,242 | 447,300 | 32.7% |
| Other Direct Operating Expenses | 34,622 | 162,118 | 165,233 | 133,301 | 495,700 | 26.9% |
| Admin Overhead Expense Transfer | 4,380 | 14,023 | 14,567 | 16,242 | 43,700 | 37.2% |
| Total South San Francisco | \$262,226 | \$1,122,606 | \$1,130,867 | \$998,602 | \$3,392,600 | 29.4% |
| Farebox Recovery - SSF | 41% | 33% | 35% | 40% | 35% | |
| <u>Richmond FerryService (Richmond)</u> | | | | | | |
| Purchased Transportation | \$259,424 | <i>Richmond Ferry Service was launched in January 2019</i> | \$1,136,267 | \$1,138,137 | \$3,408,800 | 33.4% |
| Fuel - Diesel & Urea | 47,503 | | 184,133 | 174,751 | 552,400 | 31.6% |
| Other Direct Operating Expenses | 31,002 | | 145,900 | 134,737 | 437,700 | 30.8% |
| Admin Overhead Expense Transfer | 5,099 | | 17,233 | 18,837 | 51,700 | 36.4% |
| Total Richmond | \$343,028 | \$0 | \$1,483,533 | \$1,466,463 | \$4,450,600 | 32.9% |
| Farebox Recovery - Richmond | 34% | 0% | 26% | 34% | 26% | |
| Sub-Total Ferry Operations | \$3,863,567 | \$13,130,133 | \$15,900,633 | \$14,736,936 | \$47,701,900 | 30.9% |
| Farebox Recovery - Systemwide | 59% | 64% | 51% | 63% | 51% | |
| Total Operating Expenses | \$4,084,742 | \$13,761,202 | \$16,900,633 | \$15,445,133 | \$50,701,900 | 30.5% |
| OPERATING REVENUES | | | | | | |
| Fare Revenue | \$2,264,737 | \$8,430,058 | \$8,173,332 | \$9,263,719 | \$24,520,000 | 37.8% |
| Regional - Bridge Toll | 1,591,968 | 5,325,744 | 7,380,767 | 5,193,357 | 22,142,300 | 23.5% |
| Regional - Contra Costa Measure J | 224,277 | - | 1,102,733 | 969,382 | 3,308,200 | 29.3% |
| Regional - Alameda Tax & Assessment | - | - | 242,667 | - | 728,000 | 0.0% |
| Other Revenue | 3,759 | 5,400 | 1,133 | 18,675 | 3,400 | 0.0% |
| Total Operating Revenues | \$4,084,742 | \$13,761,202 | \$16,900,633 | \$15,445,133 | \$50,701,900 | 30.5% |

San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Four Months Ending 10/31/2019

| Project Description | Oct-19 Total | Total Project Budget | Total Prior Expense | Total FY2019/20 Budget | Total FY2019/20 Expense | Total Future Year | % of Total Project Budget Spent |
|--|--------------------|-------------------------|------------------------|------------------------------|-------------------------------|----------------------|--|
| CAPITAL EXPENSES: | | | | | | | |
| <u>FACILITIES:</u> | | | | | | | |
| Terminal Construction | | | | | | | |
| Downtown Ferry Terminal Expansion - South Basin | \$2,970,638 | \$97,965,000 | \$78,915,751 | \$19,049,249 | \$8,897,506 | \$0 | 90% |
| Maintenance and Operations Facilities | | | | | | | |
| Ron Cowan Central Bay Operations & Maintenance Facility | 3,855 | 69,500,000 | 63,197,399 | 6,302,601 | 137,994 | - | 91% |
| Terminal Improvement | | | | | | | |
| Install Mooring Piles - Harbor Bay Terminal | - | 251,500 | - | 251,500 | 585 | - | 0% |
| Terminal Signage and Wayfinding - East Bay Terminals | - | 135,000 | - | 135,000 | - | - | 0% |
| <u>FERRY VESSELS:</u> | | | | | | | |
| Vessel Construction | | | | | | | |
| 445-Pax Expansion (Waterjet) Vessels - 2 vessels | 3,078,501 | 46,745,000 | 28,771,355 | 17,973,645 | 6,545,989 | - | 76% |
| 400-Pax Expansion (Propeller) Vessels - 2 vessels | - | 33,400,000 | 32,943,928 | 456,072 | - | - | 99% |
| New Commuter Class High-Speed Vessel | 24,471 | 15,300,000 | 7,421,609 | 7,878,391 | 1,310,027 | - | 57% |
| Vessel Replacement - M/V Bay Breeze | - | 18,000,000 | - | 6,000,000 | 4,231 | 12,000,000 | 0% |
| Vessel Rehabilitation and Refurbishment | | | | | | | |
| Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island | 1,434 | 3,000,000 | 877,961 | 2,122,039 | 433,597 | - | 44% |
| Vessel Qtr-Life Refurbishment - M/V Scorpio | 11,797 | 3,005,350 | 70,062 | 2,935,288 | 353,801 | - | 14% |
| Vessel Engine Overhaul - M/V Taurus | (125,664) | 800,000 | 198,928 | 601,072 | 86,044 | - | 36% |
| Vessel Service Life Extension - M/V Solano | - | 13,000,000 | 145,099 | 10,000,901 | 24,571 | 2,854,000 | 1% |
| Vessel Engine Overhaul - M/V Argo and M/V Carina | - | 240,000 | - | 240,000 | 1,607 | - | 1% |
| Vessel Engine Overhaul - M/V Gemini | 78 | 515,350 | - | 515,350 | 663 | - | 0% |
| Vessel Engine Overhaul - M/V Pyxis | - | 170,000 | - | 170,000 | - | - | 0% |
| <u>CAPITAL EQUIPMENT / OTHER:</u> | | | | | | | |
| Purchase Service Vehicles | - | 185,000 | - | 185,000 | - | - | 0% |
| Total Capital Expenses | \$5,965,108 | \$302,212,200 | \$212,542,090 | \$74,816,110 | \$17,796,614 | \$14,854,000 | |
| CAPITAL REVENUES: | | | | | | | |
| Federal Funds | \$1,257,455 | \$67,437,543 | \$22,485,494 | \$33,068,849 | \$8,507,856 | \$11,883,200 | 46% |
| State Funds | 3,633,780 | 184,186,792 | 151,568,893 | 31,375,649 | 6,662,343 | 1,242,250 | 86% |
| Regional - Bridge Toll | 1,071,514 | 46,896,968 | 37,593,689 | 8,732,479 | 2,529,623 | 570,800 | 86% |
| Regional - Alameda Sales Tax Measure B / BB | 2,360 | 2,204,397 | 14,014 | 1,032,633 | 71,606 | 1,157,750 | 4% |
| Regional - Alameda TIF / LLAD / HBBPA | | 386,500 | - | 386,500 | 585 | - | 0% |
| Regional - San Francisco Sales Tax Prop K | | 1,100,000 | 880,000 | 220,000 | 24,601 | - | 82% |
| Total Capital Revenues | \$5,965,108 | \$302,212,200 | \$212,542,090 | \$74,816,110 | \$17,796,614 | \$14,854,000 | |

TO: WETA Board Members

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

SUBJECT: WETA Federal Legislative Board Report – December 2019

This report covers the following topics:

1. FHWA Redistributing Unused Ferry Formula Money
2. Funding the Next Surface Transportation Bill – What that Means for WETA Priorities

FHWA Redistributing Unused Ferry Formula Money

When Congress was writing the current surface transportation bill (FAST Act), we worked to make the Federal Highway Administration (FHWA) ferry formula program work better for WETA. Not only did our work lead to Congress increasing funding for the program from \$67 million per year to \$80 million per year, the formula was changed to put more weight on passengers – under the previous surface transportation bill (MAP-21), the formula had put more weight on cars and length of route segments. These changes led to additional funding for WETA.

In addition to advocating for additional funding and seeking changes to the formula – and recognizing that there are many small ferry programs around the country that receive funding through FHWA but are unable to spend that money – we worked with the Public Ferry Coalition to include “use or lose it” language in the FAST Act. We are finally going to see the benefit of that work as the FHWA prepares to claw back unspent money from FY13, FY14, FY15 and FY16 and redistribute that money to the other ferry systems, including WETA. The unused money will be distributed based on the existing formula.

Funding the Next Surface Transportation Bill – What that Means for WETA Priorities

Even as we advocate for increased funding for the Federal Transit Administration (FTA) ferry grant program and the Federal Highway Administration (FHWA) ferry formula program, we are cognizant of the fact that getting additional money for the FTA and FHWA programs will be difficult if Congress doesn’t increase the overall pot of money – and doing that will not happen unless Congress comes up with a “pay for”.

The traditional transportation “pay for” has been the gas tax. However, since 1992, regardless of which party is in the White House or in the Majority in Congress, there has been a lack of political will (this applies to Democrats and Republicans) to increase the

gas tax and/or index it to inflation in order to keep up with transportation funding needs. In the meantime, no one has come up with a politically feasible alternative for paying for new roads, bridges and transit. House Transportation and Infrastructure (T&I) Committee Chairman Peter DeFazio (D-OR) has advocated for increasing the gas tax, but he doesn't necessarily speak for House Democrats on this issue, and few members of Congress (D or R) have lined up behind him. The dynamic is similar in the Senate – there is bipartisan hesitation to bring up legislation to increase the gas tax.

Nonetheless, the staff on the House T&I Committee are continuing to assemble a priorities document that will guide the drafting process for the reauthorization of the current surface transportation bill (FAST Act which expires September 30, 2020). And we are continuing to work with Committee staff, as well as Speaker Pelosi and the rest of the Bay Area Congressional delegation to advocate for WETA priorities.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger



NOSSAMAN LLP | Memorandum

TO: WETA Board of Directors
FROM: Nossaman LLP - Jennifer Capitolo & Nate Solov
DATE: November 27, 2019
RE: December 2019 - Legislative Update

2019 WETA Legislative Priorities

Nossaman is setting up meetings for WETA with its Assembly and Senate delegation members to update them on WETA, RM3, and potential FASTER and budget funding requests in 2020.

Previewing 2020 Legislative Session

On behalf of WETA, Nossaman is meeting with key legislative contacts and interest group stakeholders to ensure WETA's projects are included in a potential FASTER ballot funding initiative. Nossaman is working with WETA to develop a two-page, 15-year funding need document to educate stakeholders about the funding needs for more frequent service, more terminals, and vessels with reduced emissions.

State Funding Opportunities

Nossaman is assisting WETA staff in identifying and applying for state funding to support projects that are eligible and competitive. Two opportunities have been identified to date as described below.

Caltrans: Sustainable Communities Transportation Planning Grant

The Sustainable Communities Transportation Planning Grant application would fund development of plan for moving WETA's fleet toward zero emission solutions in the construction of new vessels and identify the shore-side electric infrastructure charging requirements.

Title of Project: Transit Planning for Zero Emission Ferry Vessels

Submitted: October 17, 2019

Amount Requested: \$309,855, with a local match of \$40,145 for a total project cost of \$350,000.

Expected Awards: Spring 2020.

CalSTA: Transit and Intercity Rail Capital Program (TIRCP)

The Transit and Intercity Rail Capital Program provides an opportunity to fund an all-electric small vessel demonstration project - best suited for Mission Bay and Treasure Island services – which would include construction of up to two all-electric ferry vessels and related shoreside charging infrastructure.

In November, Nossaman and WETA staff met with CalSTA and Caltrans staff to discuss WETA's this funding opportunity and WETA's proposed project. Staff is working with Nossaman to develop, draft and submit an application for the CalSTA TIRCP program in January.

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

(November 7, 2019)

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

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:02 p.m.

2. PLEDGE OF ALLEGIANCE/ROLL CALL

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

Chair Breckenridge made a motion to reorder the meeting agenda by allowing comments on Item 12, as the first item after the planned closed session to allow those guests in attendance who want to speak on the Item and who have to leave the meeting early, the ability to share their comments without having to wait until the very end of the meeting when the Item was scheduled for discussion.

Director Intintoli seconded the motion and Directors all agreed to reorder as proposed to assure the speakers could be heard.

Chair Breckenridge said that anyone still in attendance at the meeting after Item 12 was discussed would be invited to share their comments, and she confirmed the Board's receipt of a number of emails from individuals who had wanted to contribute comments to Directors on Item 12 but had been unable to attend the meeting.

3. RECESS INTO CLOSED SESSION

Chair Breckenridge recessed the meeting into closed session at 1:06 p.m.

4. REPORT OF BOARD CHAIR

Chair Breckenridge reconvened the meeting from the closed session at 1:30 p.m.

Chair Breckenridge said she had recently returned from a trip to San Diego where she had learned that the United States Navy was strapped for shipyards to meet all of their vessel work requirements. She said if WETA has a shipyard locked up for a project, it would be imprudent to make any changes to those plans because the likelihood that the shipyard would subsequently be able to accommodate a new slot any time soon after was slim. Chair Breckenridge emphasized the importance of planning ahead.

Chair Breckenridge said she had also had some discussions with the Governor's military emergency response person, who she said she was pleased to report was familiar with WETA and its emergency response mandate and functions. Chair Breckenridge spoke to him about WETA's need to clarify permitting procedures for installing a temporary ferry terminal in an emergency. She said he was very interested to assist in any way needed to assure WETA understood any permitting requirements and that he would be following up with WETA and its progress.

Chair Breckenridge also noted that she was scheduled to meet with the City of Martinez the following day and that Vice Chair Wunderman may join her for that meeting.

5. PUBLIC COMMENTS IN ADVANCE OF ITEM 12 SYSTEM EXPANSION OPPORTUNITIES
DISCUSSION

Joe Ernst, Principal at srmERNST and founder of Alameda Point Partners, the developer of Alameda's Site A where WETA's new Seaplane Lagoon ferry service is planned, urged Directors to adopt Option 3 for the new service to maximize service options for the new development. Mr. Ernst also thanked Directors for getting additional service out to the Harbor Bay terminal.

Trammell Crow Residential Vice President of Development Stephanie Hill said she also urged Directors to adopt Option 3 for the new Seaplane Lagoon service. She noted that an initial 300 residential units were being constructed at Site A in Phase One which were expected to be ready for occupancy in the summer of 2020. Ms. Hill added that WETA's Seaplane Lagoon ferry service was integral to the success of the development on the repurposed naval base and to future investments in the development.

John McManus, Executive Managing Director at Cushman & Wakefield which, he said, represents the City of Alameda for leasing and sales at Alameda Point, said he was in full support of Option 3. He noted that the commercial development at the Site was as important as the residential development. Mr. McManus said developers were watching to see what kind of service was going to be offered for the Seaplane Lagoon ferry and at what times of the day, and he noted that they were making their investment decisions based in part on this service outcome. Mr. McManus urged Directors to adopt Option 3 to maximize service options.

Rachel Kim said she was representing herself and over 300 working parents in Alameda. Ms. Kim asked Directors to add a 5:00 p.m. ferry from San Francisco back to Alameda so parents can pick up their children on time at 6:00 p.m. She noted that for all Alameda ferries, neither a 4:35 p.m. nor a 5:35 p.m. trip was convenient for parents, so this was a request for all ferry schedules in Alameda.

Alameda Mayor Marilyn Ezzy Ashcraft said that Ms. Kim was representative of Alameda residents who love the ferry. She said the ferry service plans and development progress at Site A were timely, and noted BART's myriad challenges and the increasing congestion in the Alameda Tube as primary reasons the service in Option 3 was what was needed and, she emphasized, was needed on *day one* of the new service. Mayor Ashcraft also commended WETA on its expedient efforts to add service during the October 22 fire that occurred on BART, something that had ended up being personally beneficial to her because her husband was trying to use BART to meet her in Oakland for a dinner date that evening and was able to easily and quickly just switch over to an added WETA ferry.

Longtime Alameda resident and 20-year ferry rider Karen Bay said she was so excited about a third ferry service coming to Alameda, and she urged Directors to adopt Option 3 to maximize service options.

Alameda Assistant City Manager Eric Leavitt urged Directors to adopt Option 3 to maximize service. He thanked WETA for its strong partnership and work with the City of Alameda.

Alameda Councilmember Jim Oddie said that the San Francisco Bay was the most underutilized asset in the Bay Area. He urged Directors to adopt Option 3 to maximize service options for Seaplane Lagoon. Councilmember Oddie also thanked Directors for their partnership with the City of Alameda.

Alameda Vice Mayor John Knox White thanked WETA for its partnership and urged Directors to adopt Option 3 for the new Seaplane Lagoon service, noting that this service option provided a visionary ridership building effort.

Chair Breckenridge thanked the City of Alameda staff and partners in attendance at the meeting for their partnership and support, and especially for their participation in WETA meetings where they have consistently shared unique perspectives on matters before the Board.

6. REPORT OF ACTIVITY IN CLOSED SESSION

Chair Breckenridge reported that two matters had been discussed in the closed session at the top of the meeting, one relating to WETA's Administrative Code and a new Human Resources policy specific to WETA's Executive Director position.

Director Intintoli made a motion to amend and adopt Resolution 2019-23 to amend and approve Board policies related to the Executive Director position.

Director DelBono seconded the motion and the resolution was unanimously adopted as amended.

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

Chair Breckenridge said the second item discussed in the closed session was a new employment agreement with the Executive Director that includes a 3 percent increase in salary effective in November and that incorporates the recent Board actions to clarify the method of delivery of the Longevity Stipend benefit offered to all staff, including the Executive Director.

Director Intintoli made a motion to adopt Resolution 2019-24 which would improve the employment agreement between WETA and its Executive Director, Nina Rannells, and amend the Administrative Code to support the longevity stipend restructuring.

Director DelBono seconded the motion and the resolution was unanimously adopted.

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

7. REPORTS OF DIRECTORS

Director Intintoli thanked the Chair for her efforts.

8. REPORTS OF STAFF

Executive Director Nina Rannells thanked the Board of Directors for the new contract and said it was an honor to serve as the Executive Director at WETA.

Ms. Rannells said that WETA's Central Bay Operations and Maintenance Facility had received a Leadership in Energy and Environmental Design (LEED) Gold certification and that WETA's new Richmond Ferry Terminal had recently received both architectural and construction awards.

Ms. Rannells noted that WETA had been forced to suspend a Vallejo trip on October 27 due to high winds. She said WETA vessels had been unable to land at Pier 41 because of the winds and explained that because the Vallejo Ticket Office had to close due to PG&E scheduled Public Safety Power Shut-off (PSPS) in the area, tickets were sold on WETA vessels and with online ticketing, and passengers had been kept in the loop on all of the changes with WETA's Bay Alerts system, the WETA website, and social media posts.

In response to a question about the power outages and their effects on WETA service from Chair Breckenridge, Program Manager/Analyst Lauren Gularte said that Governor's Office of Emergency Services (Cal OES) Maritime Security Coordinator Robert Butchart had reached out to her to understand the effect of the power outages on the ferry service and that WETA had requested a generator for the Vallejo Ferry Terminal and one for Golden Gate Ferry to use at their Tiburon Ferry Terminal. Chair Breckenridge asked if Cal OES had a system for prioritization of requested resources in response to the PSPS event. Ms. Gularte said there had not been an After-Action Meeting yet, but that she would be following up with Cal OES to debrief on the PSPS response and would make sure to understand how Cal OES prioritized resource requests and report back.

Ms. Rannells noted that Secretary of the California State Transportation Agency (CalSTA) David Kim had also reached out to WETA about the power outage to learn about possible disruptions to WETA service.

It was noted that it would be approximately 45 to 60 days before WETA could expect to hear back from the California Public Utilities Commission (CPUC) regarding its response filed to address an application by Prop SF, LLC to amend its certificate of public convenience and necessity.

Ms. Rannells said that she and other WETA staff had engaged in some good discussions with representatives from the California Air Resource Board (CARB) at the recent Passenger Vessel Association Regional Fall Conference regarding emissions compliance, including WETA's experiences and challenges related to Tier 4 engine standards. She said the CARB team had been in listening mode, and keenly interested in gathering information they could utilize in their work to issue new emissions regulations next spring.

9. CONSENT CALENDAR

Chair Breckenridge said she would like to have a comment made by Vice Chair Wunderman about contracting vehicles for the Mission Bay Ferry Terminal construction added to the October minutes draft before the minutes were approved for the permanent record.

Director Intintoli made a motion to approve the consent calendar with the requested amendment to the October Board Meeting Minutes:

- a. Board Meeting Minutes – October 3, 2019

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

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

10. APPROVE BOARD OF DIRECTORS MEETING SCHEDULE FOR CALENDAR YEAR 2020

Chair Breckenridge introduced this item to approve WETA's Board of Directors meeting schedule for calendar year 2020. She noted that adopting the schedule now was important to assure that the meeting room could be secured. Chair Breckenridge noted that meetings outside of San Francisco, in Bay Area cities where WETA operates or may operate in the future, would not be excluded with the adoption of the proposed calendar.

Director DelBono made a motion to approve the item.

Director Intintoli seconded the motion and the item passed.

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

11. SHORT RANGE TRANSIT PLAN UPDATE

Senior Planner/Project Manager Mike Gougherty introduced WETA's newest Transportation Planner, Arthi Krubanandh, who presented this informational update on WETA's Short Range Transit Plan (SRTP). She explained that all transit operators who receive federal funding produce a SRTP as a Metropolitan Transportation Commission (MTC) requirement. Ms. Krubanandh said that the SRTP includes near term considerations for operating and capital costs and it is updated every three or four years. She said WETA's most recent SRTP was from 2016 and it is time again to begin work on a new one. Ms. Krubanandh briefly reviewed the various sections of the SRTP for Directors and said they could expect to see a draft of the updated SRTP at the December Board meeting, when they would be asked to approve the draft and open it for public comments before final adoption in the new year.

Ms. Rannells explained that creating the updated SRTP without clarity on the outcome of the legal challenges to Regional Measure 3 (RM3) would be a challenge. She added that the general sense was that RM3 funds would eventually become available to operators but said the SRTP assumptions for the first three or four years would not include any RM3 funding. Ms. Rannells said a baseline would be identified to support what WETA was already doing, with visibility also provided for what was possible with the funding moving out into future years.

12. SYSTEM EXPANSION OPPORTUNITIES DISCUSSION

Ms. Rannells presented this informational item for a discussion on WETA's system expansion opportunities. She explained that based on the Board's discussion at the October meeting about WETA's financial planning parameters, staff had understood that while Directors have visibility on WETA's financial constraints driven by anticipated RM3 funding being held up in the courts, they also want to move forward with planned expansion opportunities to the best of WETA's ability. She said the service options offered in the Item provided Directors with what is possible on a three-year financial planning horizon. Ms. Rannells explained that if RM3 funds were not available to WETA in the second year, Directors could expect staff to return with a revision of the plan to facilitate reconsideration of the way forward.

Ms. Rannells said staff recommends that WETA continue its maintenance of a two-month operating reserve, as it has historically done, and that it establish a \$10 million capital reserve fund to help ensure that WETA service would not be disrupted by cost overruns or other unforeseen circumstances. She explained that the item clarified three projects that were already underway and would be ready for implementation in the three-year projection period, with options and costs for each for Directors' consideration. She provided brief overviews of each of the three expansion projects detailed in the item; Seaplane Lagoon Ferry Service, Mission Bay Ferry Service, and Treasure Island Ferry Service, as well as considerations for WETA Fleet Expansion opportunities.

Ms. Rannells said the first project for discussion was Seaplane Lagoon in Alameda, the terminal for which was already under construction. She noted that this new service was expected to begin in August 2020, and she thanked the guests in attendance from the City of Alameda for being present to offer the Board their strong support of the project. Ms. Rannells reviewed the three service options proposed in the Item for Seaplane Lagoon, along with their associated costs, and said staff recommended Option 3 to maximize the service options at the new terminal and provide some relief to the increasing ridership demands on WETA's other Alameda service routes.

PUBLIC COMMENT

Ashley LaBass, Policy Associate at the Bay Planning Coalition (BPC), thanked WETA for its efforts to expand ferry service and said the BPC strongly supported all three of the expansion projects in the Item. She further noted that the new Seaplane Lagoon Ferry Terminal will serve not only Alameda residents, but the entire East Bay. Ms. LaBass said that all three services detailed were excellent projects because of their support of transit-oriented development on the waterfront, and she noted that the BPC

wants to encourage this sort of growth now and in the future. Ms. LaBass said that 200 of the 800 residential units being built in Alameda near the new terminal would be affordable units and that mixed-use development was also underway. She added that ferry service helped to attract investment at the site and would help to assure that the region can meet its housing goals.

Chair Breckenridge asked if staff had clarity on repayment to MTC for funds they could advance ahead of RM3 challenge resolution to move projects forward, as was requested by the Port of San Francisco (Port) to close the new Mission Bay Ferry Terminal construction gap of \$25 million. Ms. Rannells explained that the Port would use local monies to advance the project, and that if the RM3 funding does not materialize, the Port would absorb the risk. She said financial details regarding anticipated project cash flow would be provided to MTC as a part of the Letter of No Prejudice (LONP) request, so they would know in advance that WETA would expect repayment for this project once RM3 funds are available.

Director Intintoli asked if the toll issue for Treasure Island had been resolved to support transportation options on the Island, and Ms. Rannells said the matter was scheduled to be taken up in the spring. In response to a question from Director Intintoli, Ms. Rannells confirmed that WETA's Sacramento legislative representatives had worked with staff to file an application for State funds to support development of a comprehensive plan for moving towards a zero emission WETA fleet.

In response to a question from Chair Breckenridge regarding efforts to sell and replace the MV *Solano*, Ms. Rannells noted that staff would be meeting with the Federal Transit Administration (FTA) in two weeks to discuss an approach to moving this project forward. She noted that because the MV *Solano* construction had been funded in part by the FTA, WETA is required to receive FTA approval to sell the vessel and to utilize the sales proceeds to support replacement, amongst other things.

Director DelBono said all the projects detailed in the Item were important to the region and getting them all underway was very important. He said that Seaplane Lagoon had strong partnerships with entities who were following through on commitments made, and he felt it was time for WETA to move forward as planned with adoption of an Operating Agreement with Alameda in the next few months. He said that he still had outstanding questions about the Port's project labor approach to the Mission Bay terminal construction and advocated for use of a Project Labor Agreement similar to what WETA has developed for its large projects. He noted that he was also not entirely clear about whether Mission Bay or Treasure Island had priority from San Francisco's perspective. Director DelBono said he needs to hear more details and plans from the City about these two projects to help him make informed decisions on their priorities for WETA. Finally, he said that WETA fleet expansion had his full support.

Director Intintoli said he was in full support to move ahead with the Seaplane Lagoon Project and he supported the staff recommendation for the service details. Director Intintoli said he shared Director DelBono's expressed concerns about project labor on the Mission Bay project. Director Intintoli said he would like to hear from San Francisco on the Treasure Island project, noting that the Board had received conflicting information over time from various entities advocating for new Treasure Island service. He emphasized that many questions remained, and that he would like to hear the details of the current status of both projects from their representatives before he would be able to offer his support to move forward on them. Director Intintoli said that he supported the expansion vessel option and added that he would like to see WETA get to an emissions free vessel as soon as possible to at least be able to test it and see if it could really work. He said that he was as timid as anyone else about this idea, and had many concerns, but that starting with a smaller, less expensive vessel made a lot of sense. Director Intintoli commended Ms. Rannells and staff for the tremendous amount of work he said he could tell had gone into this preparing this Item.

Chair Breckenridge echoed Directors' comments about the projects detailed in the item and agreed that these are the most important projects for WETA to work towards advancing in the short-term. She said that because Seaplane Lagoon was the most mature and was ready to move forward, it made sense to approve an Operating Agreement and greenlight the new service. She said she would like to hear from San Francisco on their priority for Mission Bay and Treasure Island if WETA can only secure funds to support one or the other project without RM3 funding. She said the Board was not clear about which of the two had higher priority, and that many other questions remained. Chair Breckenridge said WETA also needed clarity on Port Commissioners' repayment expectations if the \$25 million LONP request was approved by WETA and MTC. She said WETA did not have control as to how RM3 funds would be distributed and on what kind of schedule, and that it would be important to manage expectations with the Port on repayment.

Chair Breckenridge said that she supports fleet expansion efforts as outlined in the Item. Regarding moving towards clean technology, she agreed that starting with small vessels was okay, but that WETA should use this as a bridging strategy for developing an approach to utilizing new technology on its larger fast ferries operated in the Central Bay and North Bay services.

Chair Breckenridge confirmed that the Board consensus at this time was to move forward on the Seaplane Lagoon Ferry Service. She said Directors would like to see an action item to approve an Operating and License Agreement at the December Board Meeting to facilitate moving the new service forward. She said further discussions will proceed in future meetings on the Mission Bay and Treasure Island projects once additional information has been provided to Directors to help them in their consideration of actions related to developing these two services.

Ms. Rannells confirmed that staff was motivated and excited about finding a path to new green technology options for WETA's fleet and that starting with a smaller vessel as a first step made perfect sense. She added that it was her understanding that of the two projects needing additional information – Mission Bay and Treasure Island – that Mission Bay was the higher priority. She said staff would invite project representatives to come to a future WETA meeting to share updates on their projects and to answer Directors' questions.

Chair Breckenridge thanked staff for their tremendous efforts in putting together all of the projections and details shared in the Item.

13. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No further public comments were shared.

With all business concluded Chair Breckenridge adjourned the meeting at 3:06 p.m.

- Board Secretary

END

MEMORANDUM

TO: Board Members

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

**SUBJECT: Receive the Independent Auditors' Reports for the Fiscal Year Ending
June 30, 2019**

Recommendation

Receive the Independent Auditors' Annual Financial Reports for the fiscal year ending June 30, 2019, as submitted by Maze & Associates, including the following:

- A. Memorandum on Internal Control and Required Communications;
- B. Basic Financial Statements;
- C. Single Audit Report;
- D. Measure B Fund Financial Statements;
- E. Measure BB Fund Financial Statements; and
- F. Transportation Development Act Article III Fund Program Financial Statements

Background

Section 106.6 of the WETA Administrative Code requires the preparation of annual audit reports by an independent auditor consistent with California Government Code Section 66540.54. WETA has contracted with Maze & Associates (Maze), through a competitive procurement process, to perform this independent audit work.

Discussion

The Independent Auditors' Reports for the fiscal year ending June 30, 2019, issued by Maze and provided for Board acceptance, are comprised of the following:

Memorandum on Internal Control and Required Communications

The Memorandum on Internal Control and Required Communications, provided as **Attachment A**, communicates such topics as the auditor's responsibilities under generally accepted auditing standards, overview of the planned scope of the audit and significant findings from the audit. In accordance with Statement of Auditing Standards No. 114 (*The Auditor's Communication with Those Charged with Governance*), the independent auditors are required to communicate significant findings and issues related to an audit. Maze did not identify any deficiencies in internal controls that were considered to be material weaknesses during the audit.

Basic Financial Statements

The Basic Financial Statements are provided as **Attachment B** to this report. These statements include an Independent Auditor's Report, Management Discussion and Analysis, Basic Financial Statements and Required Supplementary Information for the year ending June 30, 2019. The Independent Auditor's Report provides the opinion that WETA's basic financial statements present fairly in all material respects the respective financial position of the business-type activities of the agency as of June 30, 2019, and the respective changes in financial position and cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Single Audit Report

The Single Audit Report, provided as **Attachment C**, is a required examination of an entity that expends \$750,000 or more of federal awards in a single year. This report includes a schedule of expenditures of federal awards and a report on internal controls and compliance related to the federal expenditures. Maze has audited the compliance of WETA with respect to the types of compliance requirements described in *OMB Compliance Supplement* that are applicable to each of the major federal programs providing funding. It is Maze's opinion that WETA complied, in all material respects, with the types of compliance requirements applicable to the federal program for the year ended June 30, 2019.

Measure B and Measure BB Fund Financial Statements

The Measure B (MB) and Measure BB (MBB) Fund Financial Statements, provided as **Attachment D** and **Attachment E**, respectively, are required of WETA in relation to the receipt of Alameda County MB and MBB funds in FY 2018/19. These reports include the financial statements for WETA's MB and MBB funds and compliance opinion of the funds received and used. Maze has audited the compliance of WETA with respect to requirements related to these funds as specified in the Master Programs Funding Agreements between WETA and the Alameda County Transportation Commission. It is Maze's opinion that WETA is in compliance with the laws and regulations, contracts, and grant requirements related to MB and MBB funds for the year ended June 30, 2019.

Transportation Development Act Article III Fund Program Financial Statement

The Transportation Development Act (TDA) requires all claimants that have expended TDA funds during the fiscal year to submit an annual certified fiscal and compliance audit. State Transportation Assistance – State of Good Repair (STA-SGR) funds are subject to the same TDA fiscal audit requirements. Maze has audited the financial statements of WETA STA-SGR funds for the year ended June 30, 2019. Maze did not identify any deficiency in internal control during the audit. The Transportation Development Act financial statement is provided as **Attachment F**.

A representative of Maze & Associates will be in attendance at the meeting to provide an overview and answer any questions related to the audit reports.

Fiscal Impact

There is no fiscal impact associated with this report.

END

Attachment A

**SAN FRANCISCO
BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED
JUNE 30, 2019**

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**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION
AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For The Year Ended June 30, 2019

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MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

In planning and performing our audit of the basic financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
November 1, 2019

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MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

The following comment represents new pronouncements taking effect in the next few years. We have cited them here to keep you abreast of developments:

EFFECTIVE FISCAL YEAR 2019/20:

GASB 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 90 - Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2020/21:

GASB 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

EFFECTIVE FISCAL YEAR 2021/22:

GASB 91 - Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
 - (1) an issuer
 - (2) a third-party obligor, and
 - (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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REQUIRED COMMUNICATIONS

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

We have audited the basic financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, for the year ended June 30, 2019. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year

The following GASB pronouncements became effective, but did not have a material effect on the financial statements:

GASB 83 – *Certain Asset Retirement Obligations*

GASB 88 – *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Estimated Net Pension Asset and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension asset and deferred outflows/inflows of resources are disclosed in Note 9 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net OPEB Asset: Management's estimate of the net OPEB asset is disclosed in Note 10 to the financial statements and is based on actuarial study determined by a consultant, which is based on the experience of the Authority. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Fair Value of Investments: As of June 30, 2019, the Authority held approximately \$57.5 million of cash and investments as measured by fair value as disclosed in Note 3 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2019. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2019.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 4 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriated level of management. We have no such misstatements to report to the Board.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 1, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

This information is intended solely for the use of Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
November 1, 2019

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Attachment B

**SAN FRANCISCO
BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California

November 1, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following Management’s Discussion and Analysis (MD&A) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority) activities and financial performance provides an introduction to the financial statements of the Authority for the fiscal year ended June 30, 2019. The information presented herein should be considered in conjunction with the accompanying financial statements.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements required under GASB 34 include:

Statement of Net Position—presents the financial position of the Authority, including assets, deferred outflows, liabilities, deferred inflows and net position. The difference between this statement and the traditional Balance Sheet is that net position (fund equity) is shown as the difference between total assets and total liabilities.

Statement of Activities—presents revenues, expenses and changes in net position for the fiscal year. It differs from the traditional Statement of Revenues and Expenses in that revenues and expenses directly attributable to operating programs are presented separately from investment income and financing costs.

Statement of Cash Flows—provides itemized categories of cash flows. This statement differs from the traditional Statement of Cash Flows in that it presents itemized categories of cash inflows and outflows instead of computing the net cash flows from operation by backing out non-cash revenues and expenses from net operating income. In addition, cash flows related to investments and financing activities are presented separately.

ORGANIZATION DESCRIPTION AND BUSINESS

In October 1999, the California state legislature formed the Water Transit Authority (WTA), a regional agency mandated to create a long-term plan for new and expanded water-transit and related services on the San Francisco Bay. Effective January 1, 2008, a new state law, Senate Bill 976, dissolved the WTA and replaced it with the San Francisco Bay Area Water Emergency Transportation Authority (Authority). This new regional agency is responsible for consolidating and operating public ferry services in the Bay Area, planning new service routes, and coordinating ferry transportation response to emergencies or disasters affecting the Bay Area transportation system.

In August 2008, the Authority Board of Directors (Board) adopted the following Mission Statement for the organization:

The San Francisco Bay Area Water Emergency Transportation Authority (Authority) is a regional agency with responsibility to develop and operate a comprehensive Bay Area regional public water transportation system. The Authority shall also provide water transportation services in response to natural or manmade disasters.

At the same time, the Authority Board approved a Vision for how the Authority would pursue its Mission:

Establish and operate a regional ferry system that connects communities, reduces congestion and provides an emergency response capability.

Taken together, the Mission and Vision describe and characterize the Authority's multiple functional roles in the regional transportation network.

In October 2010, the Alameda City Council and the Authority Board adopted the transition agreement for the Alameda/Oakland and Alameda Harbor Bay ferry services. The transition was completed in April 2011, transforming the Authority into a transit operating entity. In October 2011, the Vallejo City Council and the Authority Board adopted the transition agreement for the Vallejo ferry service. Transition of the Vallejo ferry service was completed on July 1, 2012. In addition to operating the three routes transitioned from the cities of Alameda and Vallejo, the Authority initiated its first expansion ferry service to South San Francisco in June 2012.

All ferry services operated by the Authority are collectively branded and marketed as "San Francisco Bay Ferry."

FINANCIAL POSITION SUMMARY

Total net position may serve as a useful indicator of the Authority's financial position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by \$439.6 million at June 30, 2019, a \$76.5 million or 21% increase from June 30, 2018.

The following is a summary of the Authority's net position as of June 30, 2019 and 2018 along with a discussion of some of the most significant balances (in thousands):

| | <u>2019</u> | <u>2018</u> |
|---|------------------|------------------|
| Assets: | | |
| Current and other assets | \$69,863 | \$129,699 |
| Capital assets | 418,633 | 344,458 |
| Total assets | <u>\$488,496</u> | <u>\$474,157</u> |
| Deferred Outflows of Resources: | <u>\$652</u> | <u>\$1,288</u> |
| Liabilities: | | |
| Current liabilities | \$12,714 | \$18,429 |
| Unearned/deferred revenue | 36,573 | 93,219 |
| Other noncurrent liabilities | 120 | 403 |
| Total liabilities | <u>\$49,407</u> | <u>\$112,051</u> |
| Deferred Inflows of Resources: | <u>\$109</u> | <u>\$270</u> |
| Net Position: | | |
| Invested in capital assets, net of related debt | \$418,633 | \$344,458 |
| Restricted | 8,832 | 6,460 |
| Unrestricted | 12,167 | 12,206 |
| Total net assets | <u>\$439,632</u> | <u>\$363,124</u> |

The increase in assets was attributed to the increase of \$44.8 million in capital assets. Total capital expenditures in FY2018/19 was \$88.7 million and a total of \$133.5 million was reclassified from construction in progress to capital assets for completed projects, including two new vessels, the new Central Bay Operations and Maintenance Facility, and the new Richmond ferry terminal.

Current liabilities consisted primarily of accounts payable. The decrease was mainly attributed to the decrease in total unpaid vendor invoices as of June 30, 2019 when compared to June 30, 2018. Unearned/deferred revenues consisted primarily of voters approved Proposition 1B (Prop 1B) grant funds. The decrease in Unearned/deferred revenues was due to the reduction in unspent Prop 1B grant receipts. The decrease in Other noncurrent liabilities was due to the decrease in net pension liability.

The largest portion of the Authority's net position (95%) represents its investment in capital assets (i.e., ferries, terminals, improvements, and equipment). These capital assets are used to provide services to its passengers. Net assets invested in capital assets increased by 22% during the year. An additional portion of the Authority's net position (2%), Restricted net position, represents

resources that are subject to external restrictions imposed by grantors and contributors that restrict the use of net assets, increased \$2.4 million during the year. The remaining Unrestricted net position (3%) may be used to meet ongoing obligations.

The Authority adopted the provisions of the Governmental Accounting Standards Board Statement No. 68 (GASB 68) and Statement No. 71 (GASB 71), which became effective during the fiscal year ended June 30, 2015. The implementation of GASB 68 requires the recognition of the Authority's net pension liability measured as of June 30, 2018. Pension contributions made in FY2018/19 are recognized as a Deferred outflow of resources. GASB 68 also requires the recognition of deferred inflows of resources for changes in the Authority's net pension liability that arises from other types of events. As a result, certain June 30, 2019 balances, including Deferred outflow of resource and Deferred inflow of resources, at June 30, 2019 are not comparable to the balances at June 30, 2018.

The Authority adopted the provisions of the Governmental Accounting Standards Board Statement No. 75 (GASB 75), which became effective during the fiscal year ended June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (OPEB). GASB 75 requires the Authority to include the unfunded OPEB liabilities in its financial statements.

FISCAL YEAR 2019 FINANCIAL HIGHLIGHTS

- Fare revenues increased by \$2.0 million or 10% (\$22.4 million in 2019 compared to \$20.4 million in 2018). This was due, in part, to the implementation of year three, of the five year fare program adopted by the Authority Board in September 2014, in which single-ride fares are increased 3% on July 1. The increase in fare revenues was also due to the 7% increase in system-wide ridership.
- Operating expenses, before depreciation, increased from \$38.0 million in 2018 to \$42.3 million in 2019, a change of \$4.3 million. This increase was mainly attributed to the increased cost, \$2.5 million, associated with the transition of the operations and maintenance of the central bay services and vessels to the new Central Bay Operations and Maintenance Facility. It is also due to the launch of the new Richmond Ferry Service, total cost from January to June 2019 was \$1.7 million.
- Non-operating revenues increased from \$17.6 million in 2018 to \$19.9 million in 2019, an increase of \$2.2 million. This increase was mainly due to the following the additional \$2.9 million operating subsidies to support increased operating expenses.
- Capital contributions received in the form of grants and assistance from the Federal, State, and Local governments decreased from \$105.9 million in 2018 to \$91.1 million in 2019.
- Total Assets and Deferred Outflows increased by \$13.7 million (\$489.1 million in 2019 compared to \$475.4 million in 2018) and total Liabilities and Deferred Inflows decreased by \$64.8 million (\$49.5 million in 2019 compared to \$112.3 million in 2018), resulting in an increase of total Net Assets of \$76.5 million (\$439.6 million in 2019 compared to \$363.1 million in 2018).

CONSTRUCTION ACTIVITIES AND CAPITAL ACQUISITIONS

During 2019, the Authority expended \$88.7 million on capital activities. (See Note 4 for further information.) This included the following major projects:

- San Francisco Berthing Expansion – Construction (\$32.1 million)
- Purchase/Construction Two 445-Pax Expansion Vessels (\$13.2 million)
- Richmond Ferry Terminal – Construction (\$9.9 million)
- Purchase/Construct Replacement Vessel for the M/V Vallejo (\$9.0 million)
- Purchase/Construct New Commuter Class Vessel (\$7.3 million)
- Purchase/Construct Expansion Vessel – M/V Carina (\$6.4 million)
- Dredging of the Vallejo and South San Francisco Ferry Terminals (\$4.9 million)
- Central Bay Operations and Maintenance Facility – Construction (\$2.5 million)
- Mid-Life Refurbishment – M/V Peralta (\$2.0 million)
- Vessel Engine Overhaul – M/V Intintoli & M/V Mare Island (\$880,000)

During 2019, completed projects totaling \$133.5 million, an of \$63.5 million over the amount completed in 2018, were closed from construction in progress to their respective capital accounts. The major completed projects included:

- Central Bay Operations and Maintenance Facility – Construction (\$64.1 million)
- Purchase/Construct Replacement Vessel for the M/V Vallejo (\$21.3 million)
- Richmond Ferry Terminal – Construction (\$21.0 million)
- Purchase/Construct Expansion Vessel – M/V Carina (\$16.7 million)
- Mid-Life Refurbishment of the M/V Peralta (\$5.0 million)
- Dredging of the Vallejo and South San Francisco Ferry Terminals (\$5.0 million)

PROGRAM INITIATIVES AND OUTLOOK

The Authority will continue its efforts to support the management, operation and marketing of the current five San Francisco Bay Ferry routes: Alameda/Oakland to San Francisco, Alameda Harbor Bay to San Francisco, Alameda/Oakland to South San Francisco, Vallejo to San Francisco, and Richmond to San Francisco. Planning, administration and development efforts in the coming year will focus on:

- System development, monitoring and input on new developments such as the Oakland Athletics Howard Terminal Stadium Proposal,
- Support the development of regional and local plans such as MTC's Plan Bay Area 2050,
- Development of a Short-Range Transportation Plan, Five Year Fare Program, Hovercraft Feasibility Study, and work to further develop a Small Vessel implementation strategy,
- Continue to monitor and support project study and development activities associated with new ferry terminals and services such as the construction of Seaplane Lagoon, Pier 48.5, Treasure Island and Mission Bay,

- Continue the planning and study work for potential new terminals in Berkeley and Redwood City,
- Continue efforts to identify options and opportunities to implement new vessel emission technology for existing and future vessels,
- Continue to participate in local, regional and state emergency response exercises, meetings and discussions, and
- Develop public events for major project delivery milestones such as the acceptance of new vessels, the new Seaplane Lagoon terminal/service, Mission Bay Terminal construction groundbreaking and the opening of the Downtown San Francisco Terminal Expansion project.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, creditors and interested parties with a general overview of the Authority's finances. Questions or additional information about these statements should be directed to San Francisco Bay Area Water Emergency Transportation Authority, at Pier 9, Suite 111, San Francisco, CA 94111.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS

| | |
|---|--------------------|
| Current Assets | |
| Cash and cash equivalents (Note 3) | \$57,533,362 |
| Receivables: | |
| Accounts | 8,244,892 |
| Interest | 133,307 |
| Security deposit | 77,374 |
| Inventory | 93,215 |
| Prepaid expenses | 3,603,090 |
| Collective net pension asset (Note 9) | 108,435 |
| Net OPEB Asset (Note 10) | 69,711 |
| Total Current Assets | <u>69,863,386</u> |
| Capital assets, net of accumulated depreciation (Note 4): | |
| Construction in progress | 120,515,565 |
| Depreciable capital assets, net | |
| Ferries | 139,343,570 |
| Terminal development rights | 2,994,591 |
| Floats, piers and gangways | 10,171,927 |
| Ferry terminal and facilities | 145,230,566 |
| Equipment and service vehicles | 376,441 |
| Total Capital Assets | <u>418,632,660</u> |
| Total Assets | <u>488,496,046</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--------------------------------------|----------------|
| Related to pensions (Note 9) | 560,803 |
| Related to OPEB (Note 10) | 91,319 |
| Total Deferred Outflows of Resources | <u>652,122</u> |

LIABILITIES

| | |
|--|-------------------|
| Current Liabilities | |
| Accounts payable | 10,584,160 |
| Other accrued liabilities | 1,860,996 |
| Unearned revenue - fares | 125,712 |
| Compensated absences (Note 2C) | 143,057 |
| Total Current Liabilities | <u>12,713,925</u> |
| Noncurrent Liabilities | |
| Compensated absences (Note 2C) | 120,081 |
| Unearned revenue - State Appropriation (Note 5A) | 2,380,059 |
| Unearned revenue - Prop 1B (Note 5C) | 33,940,196 |
| Unearned revenue -STA-SGR (Note 5E) | 252,463 |
| Total Noncurrent Liabilities | <u>36,692,799</u> |
| Total Liabilities | <u>49,406,724</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|----------------|
| Related to pensions (Note 9) | 92,921 |
| Related to OPEB (Note 10) | 16,693 |
| Total Deferred Inflows of Resources | <u>109,614</u> |

NET POSITION (Note 8)

| | |
|----------------------------------|----------------------|
| Net investment in capital assets | 418,632,660 |
| Restricted | 8,832,002 |
| Unrestricted | 12,167,168 |
| Total Net Position | <u>\$439,631,830</u> |

See accompanying notes to financial statements

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

OPERATING REVENUES

| | |
|--------------------------|--------------|
| Farebox revenue | \$22,434,943 |
| Total Operating Revenues | 22,434,943 |

PROGRAM OPERATING EXPENSES

| | |
|----------------------------------|------------|
| Personnel costs | 2,423,396 |
| Administrative expenses | 9,847,614 |
| Legal and consulting | 1,745,229 |
| Purchased transportation | 26,916,727 |
| Insurance premiums | 1,397,484 |
| Depreciation (Note 4) | 14,539,863 |
| Total Program Operating Expenses | 56,870,313 |

OPERATING LOSS (34,435,370)

NONOPERATING REVENUES (EXPENSE)

| | |
|-----------------------------|------------|
| Intergovernmental receipts | 19,595,957 |
| Other revenue | 260,580 |
| Total Nonoperating Revenues | 19,856,537 |

CAPITAL GRANTS 91,086,268

CHANGE IN NET POSITION 76,507,435

NET POSITION - BEGINNING 363,124,395

NET POSITION - ENDING \$439,631,830

See accompanying notes to financial statements

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|---------------------|
| Receipts from customers | \$22,378,840 |
| Payments to vendors and consultants | (45,962,662) |
| Payments to or on behalf of employees | <u>(1,526,803)</u> |
| Net cash flows from (used for) operating activities | <u>(25,110,625)</u> |

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|-------------------|
| Intergovernmental collections | <u>22,873,079</u> |
| Net cash flows from noncapital and related financing activities | <u>22,873,079</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|---------------------|
| Grant receipts used for capital activities | 33,629,123 |
| Payments for capital assets | <u>(88,714,075)</u> |
| Net cash flows from (used for) capital and related financing activities | <u>(55,084,952)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|---------------|
| Interest receipts | <u>19,678</u> |
| Net cash flows from (used for) investing activities | <u>19,678</u> |
| Net cash flows | (57,302,820) |

Cash and cash equivalents- beginning of year 114,836,182

Cash and cash equivalents - end of year \$57,533,362

Reconciliation of operating loss to net cash flows from operating activities:

| | |
|-----------------------------------|----------------|
| Operating loss | (\$34,435,370) |
| Depreciation | 14,539,863 |
| Change in assets and liabilities: | |
| Security deposits | 1,348 |
| Inventory | 232,768 |
| Prepaid expenses | (605,821) |
| Net OPEB asset | (23,711) |
| Net Pension asset | 405,398 |
| Accounts payable | (4,105,529) |
| Other accrued liabilities | (1,554,663) |
| Unearned fares | (56,103) |
| Compensated absences | 15,700 |
| Deferred outflows/inflows | <u>475,495</u> |

Net cash flows used for operating activities (\$25,110,625)

See accompanying notes to financial statements

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**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 1 – REPORTING ENTITY

The San Francisco Bay Area Water Emergency Transportation Authority (Authority) is the regional water transportation planning and operating agency for the San Francisco Bay Area. It was established by the California State Legislature on October 14, 2007. The Authority was designated by the State Legislature to plan and operate new and existing Alameda and Vallejo ferry services and coordinate the emergency activities of all water transportation and related facilities within the Bay Area region.

The Authority is governed by a Board of Directors comprised of appointees from the California State Governor’s Office, the State Assembly, and the State Senate subcommittees. The Board, consisting of 5 members, is responsible for general operations of the Authority, reviewing and approving the annual budget, approving future contractual agreements with vendors, and appointment of the Executive Director.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Authority conform with generally accepted accounting principles applicable to governments. The following is a summary of the significant policies:

A. *Basis of Presentation*

The Authority’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary entity (the Authority). These statements include the financial activities of the overall Authority. Eliminations have been made to minimize the double counting of internal activities. These statements display the *business-type activities* of the Authority. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Authority’s business-type activities. Program Operating Expenses are those that are specifically associated with a program or function. Nonoperating Revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as Nonoperating Revenues are presented as Operating Revenues.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

The Authority uses an enterprise fund format to report its activities for financial statement purposes. The Authority's financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Grant reimbursements are recognized in the period the grant expenditures are made. Expenditures in excess of reimbursement are recorded as receivables if allowable under the grant, while excess reimbursements are recorded as deferred revenues.

C. Compensated Absences

Compensated absences comprise vacations and administration leave and are recorded as an expense when earned. The accrued liability for unused compensated absences is computed using current employee pay rates. Sick pay does not vest and is not accrued.

The changes in compensated absences were as follows:

| | |
|---------------------------|------------------|
| Balance at June 30, 2018 | \$247,438 |
| Additions | 228,038 |
| Payments | <u>(212,338)</u> |
| Balance at June 30, 2019 | 263,138 |
| Due within one year | <u>143,057</u> |
| Due in more than one year | <u>\$120,081</u> |

D. Estimates

The Authority's management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and the disclosure of contingent liabilities to prepare these financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Actual results could differ from those estimates.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Implementation of New GASB Pronouncements

GASB 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements – The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement had no significant effect on the financial statements

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 3 - CASH AND INVESTMENTS

A. Carrying Amount and Fair Value

Cash and investments are recorded at fair value, which is the same as fair market value. The Authority's cash and investments were composed of cash in banks and the California Local Agency Investment Fund (LAIF), each of which is described below.

Cash and investments comprised of the following at June 30, 2019:

| Investment Type | Total |
|---|--------------|
| California Local Agency Investment Fund | \$13,051,158 |
| <i>Held by Trustees:</i> | |
| Money Market Mutual Fund | 44,129,732 |
| Total Investments | 57,180,890 |
| Cash in banks and on hand | 352,472 |
| Total Cash and investments | \$57,533,362 |

The California Local Agency Investment Fund (LAIF) and money market mutual funds are exempt from the fair value hierarchy.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Investments Authorized by the Authority

The California Government Code allows the Authority to invest in the following types of investments.

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum in Portfolio | Maximum Investment In One Issuer |
|--|---------------------|------------------------------|----------------------------|--|
| U.S. Treasury Obligations | 5 years | N/A | No Limit | No Limit |
| State Obligations: CA and Others | 5 years | N/A | No Limit | No Limit |
| CA Local Agency Obligations | 5 years | N/A | No Limit | No Limit |
| U.S. Agency Obligations | 5 years | N/A | No Limit | No Limit |
| Negotiable Certificates of Deposit | 5 years | N/A | 30% | No Limit |
| Non-negotiable Certificates of Deposit | 5 years | N/A | No Limit | No Limit |
| Mutual Funds and Money Market Mutual Funds | N/A | Highest | 20% | 10% |
| Bankers Acceptances | 180 days | N/A | 40% | 30% |
| Commercial Paper - Pooled Funds | 270 Days | A/A-1 | 40% | 10% |
| Commercial Paper - Non-Pooled Funds | 270 Days | A/A-1 | 25% | 10% |
| | N/A | N/A | No limit | No Limit |
| Local Agency Investment Program Fund (LAIF) | | | | |
| Local Agency Bonds | 5 years | N/A | No Limit | No Limit |
| Placement Service Deposits | 5 years | N/A | 30% | No Limit |
| Placement Service Certificates of Deposit | 5 years | N/A | 30% | No Limit |
| Repurchase Agreements | 1 year | N/A | No Limit | No Limit |
| Reverse Repurchase Agreements and Securities Lending Agreements | 92 days | N/A | 20% | No Limit |
| Medium-Term Notes | 5 years | A | 30% | No Limit |
| Collateralized Bank Deposits | 5 years | N/A | No Limit | No Limit |
| Mortgage Pass-Through Securities | 5 years | AA | 20% | No Limit |
| County Pooled Investment Funds | N/A | N/A | No Limit | No Limit |
| Joint Powers Authority Pool | N/A | Multiple | No Limit | No Limit |
| Voluntary Investment Program Funds | N/A | N/A | No Limit | No Limit |
| Supranational Obligations | 5 years | AA | 30% | No Limit |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 3 - CASH AND INVESTMENTS (Continued)

C. *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of the Authority's investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. As of year end, the weighted average maturity of the investments in the LAIF investment pool, and the money market mutual funds, is approximately 173 and 41 days, respectively.

D. *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment fails to fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of year end, the money market mutual funds were rated AAAM by S&P. LAIF is not rated by a nationally recognized statistical rating organization.

E. *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority may not be able to recover its deposits or may not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its agent having a fair value of 110% to 150% of the Authority's cash on deposit. All of the Authority's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the Authority's name.

F. *Local Agency Investment Fund*

The Authority is a voluntary participant in LAIF. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The carrying value of LAIF approximates fair value.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 4 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation expense is calculated on the straight line method over the estimated useful lives of assets, which are as follows:

| | |
|-----------------------------|----------|
| Ferries | 25 years |
| Ferry Terminal/Facilities | 50 years |
| Terminal Development Rights | 55 years |

Capital assets activity was as follows for the year ended June 30, 2019:

| | Balance as of June 30, 2018 | Additions | Transfers/ Adjustments | Balance as of June 30, 2019 |
|---------------------------------------|--------------------------------|--------------|---------------------------|--------------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$165,289,599 | \$88,714,075 | (\$133,488,109) | \$120,515,565 |
| Total assets not being depreciated | 165,289,599 | 88,714,075 | (133,488,109) | 120,515,565 |
| Capital assets being depreciated: | | | | |
| Ferries | 147,475,251 | | 42,954,369 | 190,429,620 |
| Terminal development rights | 3,660,000 | | | 3,660,000 |
| Floats, piers and gangways | 15,676,990 | | | 15,676,990 |
| Ferry terminal and facilities | 64,999,703 | | 90,404,219 | 155,403,922 |
| Equipment and service vehicles | 1,568,518 | | 129,521 | 1,698,039 |
| Total assets being depreciated | 233,380,462 | | 133,488,109 | 366,868,571 |
| Less accumulated depreciation for: | | | | |
| Ferries | (41,245,028) | (9,841,022) | | (51,086,050) |
| Terminal development rights | (598,863) | (66,546) | | (665,409) |
| Floats, piers and gangways | (4,458,657) | (1,046,406) | | (5,505,063) |
| Ferry terminal and facilities | (6,664,079) | (3,509,277) | | (10,173,356) |
| Equipment and service vehicles | (1,244,986) | (76,612) | | (1,321,598) |
| Total accumulated depreciation | (54,211,613) | (14,539,863) | | (68,751,476) |
| Net capital assets being depreciated | 179,168,849 | (14,539,863) | 133,488,109 | 298,117,095 |
| Capital Assets, Net | \$344,458,448 | \$74,174,212 | | \$418,632,660 |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 5 – MAJOR FUNDING SOURCES

A. State Appropriation

In October 1999, the California State legislature formed the Water Transit Authority (WTA) and received a single \$12,000,000 appropriation as initial funding for the study and planning of water transportation services in the San Francisco Bay. On October 14, 2007, Senate Bill stated that WTA funds will be transferred to the Authority. As of June 30, 2019, the appropriation has a balance as follows:

| | |
|--|---------------------------|
| Original appropriation | \$12,000,000 |
| Net expenses as of June 30, 2019 | <u>(9,675,478)</u> |
| Unearned appropriation as of beginning of period | 2,324,522 |
| Fiscal year 2019: | |
| Interest income | <u>55,537</u> |
| Unearned appropriation as of period end | <u><u>\$2,380,059</u></u> |

B. Bridge Tolls

Regional Measure 1 (RM1) - In November 1988, Bay Area voters approved Regional Measure 1 (RM1), which authorized a standard auto toll of \$1 for all seven state-owned Bay Area toll bridges. The additional revenues generated by the toll increase were identified for use for congestion-relieving transit operations and capital projects in the bridge corridors. The Authority receives the portion of RM1 funding intended for transit operation and ferry capital projects. As of June 30, 2019, the Authority expended a total of \$3,269,474 for capital. The Authority received \$0 in cash and had a receivable balance of \$3,269,474.

Regional Measure 2 (RM2): On March 2, 2004, voters passed Regional Measure 2 (RM2), raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by \$1.00. This extra dollar is to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004). Specifically, RM2 establishes the Regional Traffic Relief Plan and identifies specific transit operating assistance and capital projects and programs eligible to receive RM2 funding. The Authority was allocated \$18,500,000 to be used for operations in the fiscal year 2018-19. As of June 30, 2019, the Authority has expended total current allocated operating funds of \$18,355,769 and an additional \$7,286,452 of current and previously allocated capital funds. The Authority received \$24,563,789 in cash and had a receivable balance of \$1,078,432.

AB664 is named for the 1975 enabling legislation that established the reserves. Funds are collected from the Dumbarton, San Mateo-Hayward and San Francisco-Oakland Bay bridges and are used to fund capital projects that further the development of public transit in the vicinity of the bridges. Most AB 664 funding is programmed to various transit agencies as a match for federal funds to cover the cost of replacing buses and improving capital facilities. As of June 30, 2019, the Authority had expended total allocated funds of \$1,932,022, had received \$1,799,388 in cash and had a receivable balance of \$132,634.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 5 – MAJOR FUNDING SOURCES (Continued)

C. Proposition 1B (CTSGP-RPWT) Projects

Pursuant to State Proposition 1B, the Authority is the eligible recipient of funds from the California Transit Grant Program, Regional Public Waterborne Transit (CTSGP-RPWT) for public transportation ferries and related facilities and services and emergency water transportation disaster recovery within the Bay Area region. As of June 30, 2019, the Authority had been awarded \$245 million in Proposition 1B allocations.

Assembly Bill 1203 (AB 1203), chaptered into law on October 11, 2009, provided clarifying language that allow the Authority to receive all awarded Proposition 1B allocations not previously invoiced or paid and as of April 2010, the Authority received \$44,679,939. The Authority received an additional \$25 million in fiscal year 2010-11 and \$50 million in the fiscal year ended June 30, 2014, \$25 million in fiscal year June 30, 2017 and \$45 million in fiscal year ended June 30, 2018. Unspent grant receipts have been reported as unearned revenue in the accompanying financial statements.

A summary of the Authority's Proposition 1B projects for the fiscal year ended June 30, 2019 are as follows:

| Project Name | Grant Allocations | Interest Applied | Expended in Fiscal Year | | Unearned Revenue at 06/30/19 |
|---|----------------------|------------------|-------------------------|-----------------------|------------------------------|
| | | | Prior years | 2018-2019 | |
| Preliminary Studies & Bridging Design of Redwood City, Richmond, Antioch and Martinez | \$2,299,792 | | \$2,299,792 | | |
| Final Design for Berkeley and Hercules Terminals | 220,519 | | 220,519 | | |
| South San Francisco Terminal and Vessel Construction | 9,617,037 | | 9,617,037 | | |
| Maintenance Barge/Facility and Emergency Floats | 5,686,442 | | 5,686,442 | | |
| Central Bay and North Bay Maintenance Facilities | 80,176,210 | | (71,542,623) | (\$2,473,677) | \$6,159,910 |
| San Francisco Berthing Expansion | 68,500,000 | \$230,586 | (21,885,825) | (27,532,341) | 19,312,420 |
| WETA Ferry Vessels | 62,500,000 | | (37,180,841) | (18,037,667) | 7,281,492 |
| East Bay Ferry Terminals | 16,000,000 | 628,819 | (6,763,447) | (9,865,372) | - |
| Total | \$245,000,000 | \$859,405 | (\$119,548,946) | (\$57,909,057) | 32,753,822 |
| Add interest earned in prior years | | | | | 1,091,071 |
| Add interest earned in current year | | | | | 954,708 |
| Less interest applied to projects | | | | | (859,405) |
| Unearned Revenues | | | | | <u>\$33,940,196</u> |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 5 – MAJOR FUNDING SOURCES (Continued)

D. Measure B and Measure BB Programs

Measure B was approved by the voters of Alameda County in 2000. This measure authorized a half-cent transportation sales tax to finance improvements to the County’s mass transit and road improvements. Measure B funds are to be collected for a duration of 20 years; sales tax collection began on April 1, 2002 and will extend through March 31, 2022.

On November 4, 2014, the voters of Alameda County approved Measure BB, authorizing Alameda County Transportation Commission (CTC) to administer the proceeds from the extension of an existing one-half of one percent transaction and use tax scheduled to terminate on March 31, 2022 and the augmentation of the tax by one-half of one percent. The duration of the tax will be for 30 years from the initial year of collection, expiring on March 31, 2045. The tax proceeds will be used to pay for investments outlined in the 2014 Alameda County Transportation Expenditure Plan (2014 TEP).

The Authority uses Measure B and Measure BB funds for the maintenance and operations of the Alameda ferry services. During the fiscal year ended June 30, 2019, the Measure B and Measure BB program activity was as follows:

| | <u>Measure B</u> | <u>Measure BB</u> |
|---|--------------------|--------------------|
| Program Revenues: | | |
| Direct Local Program Distribution Allocation | \$1,214,495 | \$792,589 |
| Interest Earned - Measure B/BB Distribution | 24,883 | 15,300 |
| Total Measure B/BB Revenues | <u>1,239,378</u> | <u>807,889</u> |
| Program Expenditures: | | |
| Construction / Capital: | | |
| Mid-Life refurbishment - M/V Peralta | (405,296) | |
| Quarter-Life refurbishment - M/V Scopio | | (14,014) |
| Total Direct Local Distribution Program Expenditures | <u>(405,296)</u> | <u>(14,014)</u> |
| Revenue Over Expenditures/ Excess Net Change in Fund Balance | <u>834,082</u> | <u>793,875</u> |
| Fund Balance: | | |
| Beginning Fund Balance | 1,486,689 | 836,257 |
| Ending Fund Balance | <u>\$2,320,771</u> | <u>\$1,630,132</u> |
| Reserves: | | |
| Restricted for Measure B and Measure BB programs and projects | <u>\$2,320,771</u> | <u>\$1,630,132</u> |
| Unspent Funds as of the End of the Year: | <u>\$2,320,771</u> | <u>\$1,630,132</u> |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 5 – MAJOR FUNDING SOURCES (Continued)

E. State Transit Assistance – State of Good Repair (STA-SGR)

The Road Repair and Accountability Act of 2017, Senate Bill 1 (SB 1), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the State of Good Repair (SGR) program. This program provides funding of approximately \$105 million annually to the State Transit Assistance (STA) Account. These funds are to be made available for eligible transit maintenance, rehabilitation and capital projects. Funds are distributed by formula on a population basis in the region and on a revenue basis.

The State Controller's Office has estimated that a total of \$579,467 in revenue-based SGR funds are available for allocation to the Authority through FY 2018/19. As of June 30, 2019, the Authority received \$529,315 from the FY2017/18 and the FY2018/19 programs to support the Vessel Service Life Extension - M/V Solano project.

| | |
|--|-----------|
| Program Revenues: | |
| Allocation Received | \$529,315 |
| Interest Earned | 403 |
| Total Program Revenues | 529,718 |
| Program Expenditures: | |
| Vessel Service Life Extension - M/V Solano | (277,255) |
| Ending Program Fund Balance | \$252,463 |

NOTE 6 – LEASE OBLIGATION

A. Port of San Francisco

The Authority and Port of San Francisco entered into a lease agreement on December 1, 2011. The agreement allows the Authority to lease three parcels for office space, nonexclusive apron space and the exclusive use of lay berth area for ferry berthing. The annual lease payment is \$244,170 and each parcel amount is subject to a 3% annual adjustment with a minimum adjustment of \$0.01 (1 cent). On September 29, 2016 the Authority and the Port of San Francisco entered into a new lease extending the original lease by 5 years. It expires November 30, 2021. The annual lease payment is \$341,517, and each parcel is subject to a 3% annual adjustment with a minimum adjustment

B. Lennar Mare Island, LLC

The Authority and Lennar Mare Island entered into a lease agreement on April 22, 2013. The agreement allows the Authority to lease facilities for the purposes of continued ferry maintenance operations at the Temporary Ferry Facility Area and Permanent Ferry Facility Area. The Authority is obligated to make monthly payments for the Temporary Ferry Facility Area and Permanent Ferry Facility Area of \$9,000 and \$2,500, respectively. The Permanent Ferry Facility Area shall increase the monthly base rent by 2.5% over the prior year's base rent amount on an annual basis. The lease expires after 50 years.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 6 – LEASE OBLIGATION (Continued)

C. City of Alameda

The Authority and the City of Alameda entered into a lease agreement on February 15, 2015. The agreement allows the Authority to lease facilities for the Central Bay Operations and Maintenance Facility. The Authority is obligated to make monthly base rent payments equal to \$5,125, adjusted annually by the Consumer Price Index Rent Adjustment, and expires after 60 years.

D. City of Richmond

The Authority and the City of Richmond entered into a lease agreement on August 24, 2017. The agreement allows the Authority to lease landside and waterside facilities for the Richmond ferry service. The Authority is obligated to make an annual base rent payment of \$1. The lease expires on August 31, 2027.

NOTE 7 – RISK MANAGEMENT

The Authority purchased the following insurance policy coverage at June 30, 2019:

| <u>Type of Coverage</u> | <u>Limit</u> | <u>Deductible</u> |
|---|-----------------------------|-------------------|
| General liability | \$1,000,000 to 3,000,000 | \$2,500 |
| Workers compensation | 1,000,000 | N/A |
| Public officials management & Employment practices liability | 3,000,000 | 15,000 to 20,000 |
| Crime Insurance | 1,000,000 | 2,500 |
| <u>Type of Coverage (related to Ferry Services)</u> | | |
| Marine commercial liability, Terminal operators liability and Auto liability | \$1,000,000 to 3,000,000 | \$2,500 |
| Docks, pilings & ramps Pier 9, Harbor Bay, Alameda Main Street, Vallejo, Vallejo Ferry Ticket Office, South San Francisco Terminal, North Bay Operations and Maintenance Facility, Mare Island Terminals and Oakland Clay Street | 163,276,063 | 10,000 to 250,000 |
| Excess marine liability | 24,000,000 | N/A |

The Authority did not have any claims in fiscal year 2019.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 8 – NET POSITION

A. Net Position

Net Position is the excess of all the Authority's assets and deferred outflows of resources over all its liabilities and deferred inflows, regardless of fund. The Authority's Net Position is reported under the captions described below:

Net Investment in Capital Assets is the current net book value of the Authority's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes unexpended Measure B revenues, unexpended Measure BB revenues and Alameda Local Property Tax/Assessments.

Unrestricted describes the portion of Net Position which may be used for any Authority purpose.

NOTE 9 – PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plans

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Authority's Miscellaneous Employee Pension Rate Plan. The Authority's Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan, which is administered by the California Public Employees' Retirement System (CalPERS). The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 9 – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2019 are summarized as follows:

| | <u>Miscellaneous</u> | |
|---|-------------------------------------|--|
| | <u>Prior to January 1, 2013</u> | <u>On or after January 1, 2013</u> |
| Hire date | | |
| Benefit formula | 2.5% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 - 67 | 52 - 67 |
| Monthly benefits, as a % of eligible compensation | 2.0% - 2.5% | 1.0% - 2.5% |
| Required employee contribution rates | 8.00% | 6.25% |
| Required employer contribution rates | 10.609% | 6.842% |

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority’s is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

| | <u>Miscellaneous</u> |
|---|-----------------------------|
| | <u>Tier I & Tier II</u> |
| Contributions - employer | \$202,432 |
| Contributions - employee (paid by employer) | 136,807 |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 9 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2019, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

| | |
|-------------------------------------|--|
| | Proportionate Share of Net Pension Liability (Asset) |
| Miscellaneous | (\$108,435) |
| Total Net Pension Liability (Asset) | (\$108,435) |

The Authority’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

| | |
|------------------------------|---------------|
| | Miscellaneous |
| Proportion - June 30, 2017 | 0.0075% |
| Proportion - June 30, 2018 | -0.0029% |
| Change - Increase (Decrease) | -0.010377% |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 9 – PENSION PLAN (Continued)

For the year ended June 30, 2019, the Authority recognized a negative pension expense of \$576,317. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Miscellaneous | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Contributions made after the measurement date | \$202,432 | |
| Differences between actual and expected experience | (4,160) | \$1,416 |
| Changes in assumptions | (12,362) | 3,030 |
| Net differences in actual contributions and proportionate contributions | 357,147 | |
| Net differences between projected and actual earnings on pension plan investments | (536) | |
| Adjustments due to changes in proportion | 18,282 | (97,367) |
| Total | <u>\$560,803</u> | <u>(\$92,921)</u> |

Deferred outflows of \$202,432 related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Miscellaneous | |
|-----------------------|------------------------|
| Year Ended June 30 | Annual Amortization |
| 2020 | \$92,011 |
| 2021 | 103,956 |
| 2022 | 68,507 |
| 2023 | 976 |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 9 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 and June 30, 2018 total pension liability was based on the following actuarial methods and assumptions:

| | Miscellaneous |
|----------------------------------|---|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table (1) | Derived using CalPERS Membership Data for all Funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter |

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 9 – PENSION PLAN (Continued)

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 9 – PENSION PLAN (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| Asset Class ¹ | Current Target Allocation | Real Return Years 1 - 10 ² | Real Return Years 11+ ³ |
|--------------------------|------------------------------|--|---------------------------------------|
| Global Equity | 50% | 4.80% | 5.98% |
| Fixed Income | 28% | 1.00% | 2.62% |
| Inflation Sensitive | 0% | 0.77% | 1.81% |
| Private Equity | 8% | 6.30% | 7.23% |
| Real Estate | 13% | 3.75% | 4.93% |
| Liquidity | 1% | 0.00% | -0.92% |
| Total | <u>100%</u> | | |

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Asset to Changes in the Discount Rate The following presents the Authority's proportionate share of the net pension asset for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Miscellaneous |
|-----------------------|---------------|
| 1% Decrease | 6.15% |
| Net Pension Liability | \$696,987 |
| Current Discount Rate | 7.15% |
| Net Pension Asset | (\$108,435) |
| 1% Increase | 8.15% |
| Net Pension Asset | (\$773,298) |

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS

A. General Information about the Authority’s Other Post Employment Benefit (OPEB) Plan

Plan Description – The Authority’s Post Employment Benefit Plan San Francisco Bay Area Water Emergency Transportation Authority Retiree Healthcare Plan is an agent multiple-employer defined benefit OPEB plan. By Board resolution, the Authority provides certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans.

Benefits Provided – The Authority pays the minimum of PEMHCA community rated plans for retired employees’ medical premiums, in which the benefits continue to the surviving spouse. The Authority will also provide a longevity stipend for retired employees who have at least 10 years of service, by paying up to the PERSC are single premium for single coverage only.

For the year ended June 30, 2019, the Authority’s contributions to the Plan were \$91,319.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

| | |
|--|----|
| Active plan members | 14 |
| Inactive employees or beneficiaries currently receiving benefit payments | 2 |
| Inactive employees entitled to but not yet receiving benefit payments | 1 |
| Total | 17 |

B. Net OPEB Asset

Actuarial Methods and Assumptions – The Authority’s net OPEB asset was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2018 that was rolled forward using standard update procedures to determine the Authority’s total OPEB liability as of June 30, 2018, based on the following actuarial methods and assumptions:

| | Actuarial Assumptions |
|--|---|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Assumptions: | |
| Discount Rate | 6.75% |
| Long-Term Net Rate of Return | 6.75% |
| Inflation | 2.75% |
| Mortality, Retirement, Disability, Termination | CalPERS 1997-2011 experience study |
| Mortality Improvement | Scale MP-2017 |
| Medical Trend | -Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years |
| | -Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|----------------------|--|
| Global Equity | 57% | 4.82% |
| Fixed Income | 27% | 1.47% |
| TIPS | 5% | 1.29% |
| Commodities | 3% | 0.84% |
| REITs | 8% | 3.76% |
| Total | <u>100%</u> | |
| Assumed Long-Term Rate of Inflation | | 2.75% |
| Assumed Long-Term Net Rate of Return, Rounded | | 6.75% |

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in Net OPEB Liability (Asset)

The changes in the net OPEB liability (asset) follows:

| | Increase (Decrease) | | |
|---|--------------------------------|---------------------------------------|--|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability/(Asset) (c) = (a) - (b) |
| Balance at June 30, 2018 | \$672,000 | \$718,000 | (\$46,000) |
| Changes Recognized for the Measurement Period: | | | |
| Service cost | 69,097 | | 69,097 |
| Interest | 49,653 | | 49,653 |
| Benefit changes | | | |
| Difference between expected and actual experience | | | |
| Changes of assumptions | | | |
| Contributions from the employer | | 88,000 | (88,000) |
| Net investment income | | 55,796 | (55,796) |
| Benefit payments and refunds | (11,000) | (11,000) | - |
| Administrative expenses | | (1,335) | 1,335 |
| Net Changes | <u>107,750</u> | <u>131,461</u> | <u>(23,711)</u> |
| Balance at June 30, 2019 | <u>\$779,750</u> | <u>\$849,461</u> | <u>(\$69,711)</u> |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$8,000.

D. Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

| Plan's Net OPEB Liability/(Asset) | | |
|-----------------------------------|----------------------------------|------------------------------|
| Discount Rate -1% (5.75%) | Current Discount Rate (6.75%) | Discount Rate +1% (7.75%) |
| \$43,935 | (\$69,711) | (\$161,873) |

The following presents the net OPEB liability/(asset) of the Authority, as well as what the Authority's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| Plan's Net OPEB Liability/(Asset) | | |
|-----------------------------------|--|--------------|
| Decrease -1% | Current Healthcare Cost Trend Rates | Increase +1% |
| (\$187,401) | (\$69,711) | \$79,192 |

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Authority recognized OPEB expense of \$66,982. At June 30, 2019, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Employer contributions made subsequent to the measurement date | \$91,319 | |
| Difference between expected and actual experience | | |
| Changes in assumptions | | |
| Net difference between projected and actual earnings on plan investments | | \$16,693 |
| Total | \$91,319 | \$16,693 |

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

The \$91,319 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a increase of the OPEB asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

| Measurement Period Ended June 30 | Annual Amortization |
|-------------------------------------|------------------------|
| 2020 | (\$4,423) |
| 2021 | (4,423) |
| 2022 | (6,423) |
| 2023 | (1,424) |
| 2024 | - |
| Thereafter | - |

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The Authority participates in Federal and State and local grant programs. These programs have been audited by the Authority’s independent auditors, in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Authority expects such amounts, if any, to be immaterial.

At June 30, 2019, the Authority had made commitments for the following projects:

| | |
|---|--------------|
| Purchase Replacement Vessel - MV Vallejo | \$149,625 |
| Purchase Two Expansion (Waterjet) Vessels | 12,744,580 |
| Purchase Two Expansion (Propeller) Vessels | 272,265 |
| Purchase New Commuter Class High-Speed Vessel | 5,935,002 |
| Terminal Dredging - Vallejo and South San Francisco Terminals | 111,661 |
| Central Bay Operations & Maintenance Facility | 1,744,968 |
| Richmond Ferry Terminal | 40,470 |
| San Francisco Downtown Ferry Terminal Expansion | 13,638,870 |
| Vessel Engine Overhaul - M/V Taurus | 243,798 |
| Vessel Service Life Extension - M/V Solano | 13,325 |
| Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island | 1,021,417 |
| Vessel Quarter-Life Refurbishment - M/V Scorpio | 9,850 |
| | 9,850 |
| Total | \$35,925,831 |

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REQUIRED SUPPLEMENTARY INFORMATION

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019**

**San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,
a Cost-Sharing Multiple-Employer Defined Pension Plan**

As of fiscal year ending June 30, 2019

Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

| Measurement Date | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 |
|---|-------------|-------------|-------------|-------------|-------------|
| Plan's Proportion of the Net Pension Liability/(Asset) | 0.010204% | 0.016026% | 0.011107% | 0.007533% | -0.002877% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$748,940 | \$439,655 | \$385,835 | \$296,963 | (\$108,435) |
| Plan's Covered Payroll | \$1,217,627 | \$1,363,751 | \$1,453,752 | \$1,597,597 | \$1,744,351 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 61.51% | 32.24% | 26.54% | 18.59% | -6.22% |
| Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.15% | 79.89% | 75.87% | 75.39% | 77.69% |

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY**

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,
a Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2019

Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

| | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |
|--|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year Ended: | | | | | |
| Actuarially determined contribution | \$222,396 | \$434,477 | \$391,333 | \$516,162 | \$202,432 |
| Contributions in relation to the | | | | | |
| actuarially determined contributions | (222,396) | (434,477) | (391,333) | (516,162) | (202,432) |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Covered payroll | \$1,363,751 | \$1,453,752 | \$1,597,597 | \$1,744,351 | \$1,890,469 |
| Contributions as a percentage of covered payroll | 16.31% | 29.89% | 24.50% | 29.59% | 10.71% |

Notes to Schedule

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

| | | | | | |
|-------------------------------|--|--|---|---|---|
| Actuarial cost method | Entry age | Entry age | Entry age | Entry age | Entry age |
| Amortization method | Level percentage of payroll, closed 30 years | Level percentage of payroll, closed 30 years | Level percentage of payroll, closed 30 years | Level percentage of payroll, closed 30 years | Level percentage of payroll, closed 30 years |
| Remaining amortization period | 5-year smoothed market 2.75% | 5-year smoothed market 2.75% | 5-year smoothed market 2.75% | 5-year smoothed market 2.75% | 5-year smoothed market 2.50% |
| Asset valuation method | Varies by Entry Age and Service | Varies by Entry Age and Service | Varies by Entry Age and Service | Varies by Entry Age and Service | Varies by Entry Age and Service |
| Inflation | | | | | |
| Salary increases | | | | | |
| Investment rate of return | 7.5%, net of pension plan investment and administrative expenses, including inflation 55 yrs. Misc., 62 yrs. Tier 2 | 7.5%, net of pension plan investment and administrative expenses, including inflation 55 yrs. Misc., 62 yrs. Tier 2 | 7.65%, net of pension plan investment and administrative expenses, including inflation 55 yrs. Misc., 62 yrs. Tier 2 | 7.15%, net of pension plan investment and administrative expenses, including inflation 55 yrs. Misc., 62 yrs. Tier 2 | 7.15%, net of pension plan investment and administrative expenses, including inflation 55 yrs. Misc., 62 yrs. Tier 2 |
| Retirement age | The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale A.A. | The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale A.A. | The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. | The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. | The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2017 CalPERS Experience Study. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. |
| Mortality | | | | | |

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY**

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
For the Year Ended June 30, 2019

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)
Agent Multiple Employer Plan

| Measurement period | <u>June 30, 2017</u> | <u>June 30, 2018</u> |
|--|--------------------------|--------------------------|
| Total OPEB liability | | |
| Service cost | \$67,000 | \$69,097 |
| Interest | 44,000 | 49,653 |
| Benefit changes | | |
| Differences between expected and actual experience | | |
| Assumption changes | | |
| Benefit payments | (10,000) | (11,000) |
| Changes of benefit terms | | |
| Net change in total OPEB liability | <u>101,000</u> | <u>107,750</u> |
| Total OPEB liability - beginning | <u>571,000</u> | <u>672,000</u> |
| Total OPEB liability - ending (a) | <u><u>\$672,000</u></u> | <u><u>\$779,750</u></u> |
| OPEB fiduciary net position | | |
| Contributions - employer | \$194,000 | \$88,000 |
| Contributions - employee | | |
| Net investment income | 50,000 | 55,796 |
| Benefit payments | (10,000) | (11,000) |
| Administrative expense | | (1,335) |
| Other changes | | |
| Net change in plan fiduciary net position | <u>234,000</u> | <u>131,461</u> |
| Plan fiduciary net position - beginning | <u>484,000</u> | <u>718,000</u> |
| Plan fiduciary net position - ending (b) | <u><u>\$718,000</u></u> | <u><u>\$849,461</u></u> |
| Plan net OPEB liability (asset) - ending (a) - (b) | <u><u>(\$46,000)</u></u> | <u><u>(\$69,711)</u></u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | <u>106.85%</u> | <u>108.94%</u> |
| Covered payroll | <u>\$1,598,000</u> | <u>\$1,746,000</u> |
| Plan net OPEB liability as a percentage of covered payroll | <u>N/A</u> | <u>N/A</u> |

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

**SAN FRANCISCO BAY AREA WATER
EMERGENCY TRANSPORTATION AUTHORITY**

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2019

Last Ten Fiscal Years *
Other Post-Employment Benefits (OPEB)
Agent Multiple Employer Plan

| | 2017-18 | 2018-19 |
|--|-------------|-------------|
| Actuarially determined contribution | \$74,000 | \$83,354 |
| Contributions in relation to the actuarially determined contribution | 88,000 | 91,319 |
| Contribution deficiency (excess) | (\$14,000) | (\$7,965) |
| Covered payroll | \$1,746,000 | \$1,890,469 |
| Contributions as a percentage of covered payroll | 5.04% | 4.83% |

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

| | | |
|---|--|--|
| Valuation Date | June 30, 2017 | June 30, 2017 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Amortization Method | Level percentage of pay | Level percentage of pay |
| Actuarial Value of Assets | Investment gains and losses spread over 5- year rolling period Not less than 80% not more than 120% of the Market Value of Assets | Investment gains and losses spread over 5- year rolling period |
| Discount Rate | 6.75% | 6.75% |
| General Inflation | 2.75% | 2.75% |
| Aggregate Payroll Increases | 3.00% | 3.00% |
| Medical Trend | Non-Medicare - 7.0% for 2017/18, decreasing to an ultimate rate of 5.5% in 2020/21 Medicare - 7.2% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21 | Non-Medicare - 7.0% for 2019, decreasing to an ultimate rate of 4% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4% in 2076 |
| Mortality, Retirement, Termination & Disability | CalPERS 1997-2011 experience study | CalPERS 1997-2011 experience study |
| Mortality Improvement | Scale MP-2017 | Scale MP-2017 |

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

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Attachment C

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY**

**SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

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**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY**

**SINGLE AUDIT REPORT
For The Year Ended June 30, 2019**

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**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2019**

SECTION I—SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

| CFDA#(s) | Name of Federal Program or Cluster |
|----------------------|---|
| 20.507 and 20.525 | Federal Transit Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated November 1, 2019, which is an integral part of our audits and should be read in conjunction with this report.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

ASSOCIATION OF BAY AREA GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

| Federal Grantor/ Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Federal Expenditures |
|---|------------------------------------|-----------------------------------|
| Federal Transit Cluster | | |
| Federal Transit Formula Grants: | | |
| FY2013 - 5307 Capital | 20.507 | \$2,117,936 |
| FY18 Ferry Vessel Construction and Major Component Maintenance | 20.507 | <u>3,285,533</u> |
| Subtotal FTA - Federal Transit Formula Grants | | <u>5,403,469</u> |
| State of Good Repair Grants Program: | | |
| FY2014 - 5337 Capital | 20.525 | 862,786 |
| FY2016 Ferry Capital Rehabilitation and Replacement | 20.525 | 7,163,926 |
| FY18 Ferry Vessel Construction and Major Component Maintenance | 20.525 | 3,389,643 |
| Ferry Vessel Rebuild - M/V Solano | 20.525 | <u>116,079</u> |
| Subtotal FTA - State of Good Repairs Grants | | <u>11,532,434</u> |
| Total Federal Transit Cluster | | <u>16,935,903</u> |
| Total Expenditures of Federal Awards | | <u><u>\$16,935,903</u></u> |

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2019**

NOTE 1-REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the San Francisco Bay Area Water Emergency Transportation Authority, California (Authority).

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The proprietary fund is accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3 – INDIRECT COST ELECTION

The Authority has elected not to use the 10% de-minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the Board of Directors,
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 1, 2019 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, California
November 1, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

Report on Compliance for Each Major Federal Program

We have audited the San Francisco Bay Area Water Emergency Transportation Authority's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Authority's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 1, 2019 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Maze + Associates

Pleasant Hill, California
November 1, 2019

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Attachment D

**SAN FRANCISCO
BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY**

**MEASURE B FUND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2019

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**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE B FUND
Financial Statements
For the Year Ended June 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

Report on Financial Statements

We have audited the accompanying financial statements of the Alameda County Transportation Commission-Measure B Funds (Measure B Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), as of and for the year ended June 30, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing such an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure B Program as of June 30, 2019, and the change in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the Measure B Program and are not intended to present fairly the financial position and results of operations of the San Francisco Bay Area Water Emergency Transportation Authority, in conformity with generally accepted accounting principles in the United States of America.

The emphasis of this matter does not constitute a modification to our opinion.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
November 1, 2019

SAN FRANCISCO BAY AREA
 WATER EMERGENCY TRANSPORTATION AUTHORITY
 ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE B FUND

BALANCE SHEET
 JUNE 30, 2019

| | Mass Transit |
|--|--------------|
| ASSETS | |
| Cash and Investments | \$2,298,487 |
| Measure B Direct Local Distribution Program Receivable | 199,761 |
| Interest Receivable | 2,814 |
| | 2,501,062 |
| Total Assets | \$2,501,062 |
| LIABILITIES | |
| Accounts Payable | \$180,291 |
| | 180,291 |
| Total Liabilities | 180,291 |
| FUND BALANCE | |
| Restricted for Measure B Programs and Projects | 2,320,771 |
| | 2,320,771 |
| Total Fund Balance | 2,320,771 |
| Total Liabilities and Fund Balance | \$2,501,062 |

See accompanying notes to financial statements.

SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE B FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

| | Mass Transit |
|--|--------------|
| REVENUES: | |
| Direct Local Distribution Funds Allocation | \$1,214,495 |
| Interest Earned - Measure B Distribution | 24,883 |
| Total Revenues | 1,239,378 |
| EXPENDITURES: | |
| Construction: | |
| Mid-Life Refurbishment - M/V Peralta | 405,296 |
| Total Expenditures | 405,296 |
| NET CHANGE IN FUND BALANCE | 834,082 |
| FUND BALANCE: | |
| Beginning Fund Balance | 1,486,689 |
| Ending Fund Balance | \$2,320,771 |

See accompanying notes to financial statements.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE B FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2019**

1. DESCRIPTION OF REPORTING ENTITY

Reporting Entity – All transactions of the Alameda County Transportation Commission – Measure B Funds (Measure B Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), are included in the basic financial statements of the Authority. Measure B Program is used to account for the Authority’s share of the net revenues generated by the Measure B sales tax and expenditures incurred under the Authority’s mass transit program.

In fiscal year 2011, the transfer of the Alameda/Oakland Ferry Service and the Alameda Harbor Bay Ferry Service from the City of Alameda and the Alameda Reuse and Redevelopment Authority to the Authority included Measure B monies. Measure B monies are used to finance the facilities and operations of the Alameda ferry services.

The accompanying financial statements are for the Measure B Program only and are not intended to fairly present the financial position, results of operations and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting – The Authority uses an enterprise fund format to report its activities for financial statement purposes. The Authority’s financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE B FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Use of Estimates - Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

3. CASH AND INVESTMENTS

Cash and investments consisted of \$2,298,487 in money market funds. Money market funds are reported at amortized cost as indicated in GASB 72 paragraph 69c.

See the Authority's Basic Financial Statements (BFS) for disclosures related to cash and investments as prescribed by Governmental Accounting Standards Board Statement No. 40. The BFS may be obtained from the San Francisco Bay Area Water Emergency Transportation Authority Pier 9, Suite 111, The Embarcadero, San Francisco, CA 94111.

4. MEASURE B PROGRAM

On November 7, 2000, the voters of Alameda County approved the reauthorization of Measure B. The Authority receives a portion of the proceeds of an additional one-half cent sales tax to be used for transportation – related expenditures. This measure was adopted with the intention that the funds generated by the additional sales tax would not fund expenditures previously paid for by property taxes but, rather, would be used for additional projects and programs.

Projects funded by Measure B were as follows:

Mid-Life Refurbishment – M/V Peralta

INDEPENDENT AUDITOR'S REPORT ON MEASURE B COMPLIANCE

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

Report on Compliance for Measure B Program

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Alameda County Transportation Commission - Measure B Fund (Measure B Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), as of and for the year ended June 30, 2019 and the related notes to the financial statements, and have issued our report thereon dated November 1, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants' requirements related to Measure B funds as specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Measure B funds based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Measure B Program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Measure B Program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Measure B Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Measure B Program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on Measure B to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Measure B Program and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of Measure B on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We have also issued a separate Memorandum on Internal Control dated November 1, 2019 which is an integral part of our audit and should be read in conjunction with this report.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, California
November 1, 2019

Attachment E

**SAN FRANCISCO
BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY**

**MEASURE BB FUND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2019

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**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE BB FUND
Financial Statements
For the Year Ended June 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

Report on Financial Statements

We have audited the accompanying financial statements of the Alameda County Transportation Commission-Measure BB Funds (Measure BB Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing such an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure BB Program as of June 30, 2019, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the Measure BB Program and are not intended to present fairly the financial position and results of operations of the San Francisco Bay Area Water Emergency Transportation Authority, in conformity with generally accepted accounting principles in the United States of America.

The emphasis of this matter does not constitute a modification to our opinion.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
November 1, 2019

SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUND

BALANCE SHEET
JUNE 30, 2019

| | Mass Transit |
|--|--------------|
| ASSETS | |
| Cash and Investments | \$1,498,677 |
| Measure BB Direct Distribution Program Receivable | 130,287 |
| Measure BB Direct Distribution Program Interest Receivable | 1,835 |
| Total Assets | \$1,630,799 |
| LIABILITIES | |
| Accounts Payable | \$667 |
| Total Liabilities | 667 |
| FUND BALANCE | |
| Restricted for Measure B Programs and Projects | 1,630,132 |
| Total Fund Balance | 1,630,132 |
| Total Liabilities and Fund Balance | \$1,630,799 |

See accompanying notes to financial statements.

SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

| | Mass Transit |
|--|--------------|
| REVENUES: | |
| Direct Local Distribution Funds Allocation | \$792,588 |
| Interest Earned - Measure BB Distribution | 15,300 |
| Total Revenues | 807,888 |
| EXPENDITURES: | |
| Quarter-Life Refurbishment - M/V Scorpio | \$14,014 |
| Total Expenditures | 14,014 |
| NET CHANGE IN FUND BALANCE | 793,874 |
| FUND BALANCE: | |
| Beginning Fund Balance | 836,258 |
| Ending Fund Balance | \$1,630,132 |

See accompanying notes to financial statements.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE BB FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2019**

1. DESCRIPTION OF REPORTING ENTITY

Reporting Entity – All transactions of the Alameda County Transportation Commission – Measure BB Funds (Measure BB Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), are included in the basic financial statements of the Authority. The Measure BB Program is used to account for the Authority’s share of the net revenues generated by the Measure BB sales tax and expenditures incurred under the Authority’s mass transit program.

The accompanying financial statements are for the Measure BB Program only and are not intended to fairly present the financial position, results of operations and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting – The Authority uses an enterprise fund format to report its activities for financial statement purposes. The Authority’s financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Use of Estimates – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE BB FUND
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended June 30, 2019**

3. CASH AND INVESTMENTS

Cash and investments consisted of \$1,498,677 in money market funds. Money market funds are reported at amortized cost as indicated in GASB 72 paragraph 69c.

See the Authority's Basic Financial Statements (BFS) for disclosures related to cash and investments as prescribed by Governmental Accounting Standards Board Statement No. 40. The BFS may be obtained from the San Francisco Bay Area Water Emergency Transportation Authority Pier 9, Suite 111, The Embarcadero, San Francisco, CA 94111.

4. MEASURE BB PROGRAM

On November 4, 2014, the voters of Alameda County approved Measure BB, authorizing Alameda County Transportation Commission (CTC) to administer the proceeds from the extension of an existing one-half of one percent transaction and use tax scheduled to terminate on March 31, 2022 and the augmentation of the tax by one-half of one percent. The duration of the tax will be for 30 years from the initial year of collection, expiring on March 31, 2045. The tax proceeds will be used to pay for investments outlined in the 2014 Alameda County Transportation Expenditure Plan (2014 TEP).

INDEPENDENT AUDITOR'S REPORT ON MEASURE BB COMPLIANCE

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

Report on Compliance for Measure BB Program

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Alameda County Transportation Commission - Measure BB Funds (Measure BB Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), as of and for the year ended June 30, 2019 and the related notes to the financial statements, and have issued our report thereon dated November 1, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants' requirements related to Measure BB funds as specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Measure BB funds based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and requirements specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Measure BB Program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Measure BB Program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Measure BB Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Measure BB Program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on Measure BB to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Measure BB Program and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of Measure BB on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We have also issued a separate Memorandum on Internal Control dated November 2, 2019 which is an integral part of our audit and should be read in conjunction with this report.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, California
November 1, 2019

Attachment F

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY**

**TRANSPORTATION DEVELOPMENT ACT
ARTICLE III FUND PROGRAM**

**BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2019**

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| <p>SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND PROGRAM BASIC FINANCIAL STATEMENTS For The Years Ended June 30, 2019</p> |
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

Report on Financial Statements

We have audited the financial statements of the Transportation Development Act Article III Fund Program (Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2019, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the Transportation Development Act Article III Fund Program and are not intended to present fairly the financial position and results of operations of the San Francisco Bay Area Water Emergency Transportation Authority, in accordance with generally accepted accounting principles in the United States of America.

The emphasis of this matter does not constitute a modification to our opinion.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
November 1, 2019

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
TRANSPORTATION DEVELOPMENT ACT
ARTICLE III FUND PROGRAM**

**BALANCE SHEET
June 30, 2019**

| | <u>Allocation Instruction #</u> |
|---|-------------------------------------|
| | <u>18434518</u> |
| ASSETS | |
| Due from Metropolitan Transportation Commission | \$ - |
| LIABILITIES | |
| Accounts Payable | \$ - |
| FUND BALANCE | |
| Fund Balance | - |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ -</u> |

See accompanying Notes to the Basic Financial Statements.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
TRANSPORTATION DEVELOPMENT ACT
ARTICLE III FUND PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2019**

**Allocation
Instruction #
18434518**

REVENUES:

State Transit Assistance State of Good Repair \$ 277,255

EXPENDITURES:

State of Good Repair Program 277,255

Total Expenditures 277,255

Excess (Deficiency) of Revenues Over Expenditures \$ -

See accompanying Notes to the Basic Financial Statements.

| |
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| SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY TRANSPORTATION DEVELOPMENT ACT ARTICLE III FUND PROGRAM NOTES TO THE BASIC FINANCIAL STATEMENTS For The Years Ended June 30, 2019 |
|--|

NOTE 1 - DESCRIPTION OF REPORTING ENTITY

The San Francisco Bay Area Water Emergency Transportation Authority (Authority) includes the financial activities associated with the projects funded by the State of California Transportation Development Act (TDA). The State of California created a local transportation fund for each County funded by one-quarter of a cent of the 7% state sales tax. Article 3 of the TDA permits local agencies to spend a portion of that money (not to exceed 2%) on facilities provided for the exclusive use of pedestrians and bicycles. The projects are distributed through the Metropolitan Transportation Commission (MTC), which is the agency responsible for allocation of funds to eligible claimants within the greater San Francisco Bay Area.

During the years ended June 30, 2019, the Authority incurred expenditures that will be reimbursed by the Transportation Development Act Grant for the project’s costs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Authority that conform to generally accepted accounting principles as applicable to governments.

A. Basis of Accounting

The Authority uses an enterprise fund format to report its activities for financial statement purposes. The Authority’s financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. TDA Article 3.0 revenues are recognized when qualifying project expenditures are incurred. Expenditures are generally recognized when they are incurred.

NOTE 3 - TDA ARTICLE REVENUE/EXPENSE

The Authority received allocation instructions from the Metropolitan Transportation Commission in Fiscal Year 2017/18 for the following fiscal year 2018/19 project:

| Project Name | Allocation Instruction # | Grant Amount | Expended from Inception to 6/30/2019 | Revenue received Inception to 6/30/2019 |
|------------------------------|-----------------------------|-----------------|--|---|
| Vessel Replacement - Vallejo | 18434518 | \$277,255 | \$277,255 | \$277,255 |

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
WITH THE TRANSPORTATION DEVELOPMENT ACT AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
San Francisco Bay Area Water Emergency Transportation Authority
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Francisco Bay Area Water Emergency Transportation Authority Transportation Development Act Fund Program (the Program) as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 1, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Program's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our procedures included the applicable audit procedures contained in §6666 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 1, 2019, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Program's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Metropolitan Transportation Commission, management, Board of Directors, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties, however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maze + Associates

Pleasant Hill, California
November 1, 2019

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2019-25

**RECEIVE THE INDEPENDENT AUDITORS' REPORTS
FOR THE YEAR ENDING JUNE 30, 2019,
AS SUBMITTED BY MAZE & ASSOCIATES**

WHEREAS, Section 106.6 of the WETA Administrative Code requires the preparation of annual audit reports by an independent auditor consistent with California Government Code Section 66540.54; and

WHEREAS, Maze & Associates (Maze) is currently in contract with WETA to perform its annual audits; and

WHEREAS, the Independent Auditors' Reports for the fiscal year ending June 30, 2019, prepared by Maze, include the following reports: Memorandum on Internal Control and Required Communications; Basic Financial Statements; Single Audit Report; Measure B Fund Financial Statements; Measure BB Fund Financial Statements; and Transportation Development Act Article III Fund Program Financial Statements; and

WHEREAS, these reports were presented to the WETA Board of Directors by a representative of Maze at the December 12, 2019 Board of Directors meeting; now, therefore, be it

RESOLVED, that WETA Board of Directors (Board) hereby takes action to receive the Independent Auditors' Reports as submitted by Maze & Associates, including the following:

- (a) Memorandum on Internal Control and Required Communications;
- (b) Basic Financial Statements;
- (c) Single Audit Report;
- (d) Measure B Fund Financial Statements;
- (e) Measure BB Fund Financial Statements; and
- (f) Transportation Development Act Article III Fund Program Financial Statements

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 December 12, 2019.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2019-25

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Seaplane Lagoon Ferry Terminal Operating Agreement, License Agreement and Bill of Sale with the City of Alameda

Recommendation

Approve the Seaplane Lagoon Operating Agreement, License Agreement and Bill of Sale with the City of Alameda and authorize the Executive Director to execute these agreements and take other such actions as may be necessary to support establishment of new ferry service operations at the new Seaplane Lagoon Ferry Terminal beginning in August 2020.

Background

On April 7, 2016, WETA and the City of Alameda (City) entered into the Seaplane Lagoon Ferry Service Project Memorandum of Understanding (MOU) to establish the framework for development of a future Seaplane Lagoon Ferry Terminal and new ferry service connecting Alameda Point and San Francisco. This new terminal was being pursued by the City and its developer as a part of construction of the first phase (Site A) of a major planned mixed-use development project at Alameda Point.

The MOU identified roles and responsibilities related to securing funds to construct the terminal (City) and securing new vessels and operating funds (WETA) to support the start of a new Seaplane Lagoon ferry service. On September 6, 2018, at the request of the City, the WETA Board approved providing a \$2 million contribution towards the terminal construction cost in order to close a funding gap in the \$22 million project and keep it moving forward.

The MOU specified that WETA will take ownership of the waterside terminal assets upon completion of terminal construction and initiation of service by WETA. Terminal construction is anticipated to be completed in Spring/Summer 2020 and new WETA service is anticipated to be initiated in August 2020.

At the November 7, 2019 WETA Board meeting, the Board received an item that outlined staff's recommended approach to "leaning forward" to move several priority projects forward in the near-term while RM3 funds remain unavailable by utilizing surplus carryover funds and targeted efforts to secure new funds. These projects included advancing three expansion services in development, including Seaplane Lagoon, Mission Bay and Treasure Island, and moving forward with construction of a second new 300 passenger high speed vessel under option with Mavrik Marine.

The Board supported staff's recommendation to prioritize moving forward with new Seaplane Lagoon service in August 2020 utilizing surplus carryover funds in the absence of new RM3 funds to support service operation. The Board further supported implementing Service Alternative 3 – Comprehensive Service Restructure, which will implement a robust (every 30-minutes) peak-period service from Seaplane Lagoon by shifting peak-period Alameda service from the current Main Street Alameda terminal to Seaplane Lagoon, largely decoupling the Alameda and Oakland services during the commute period. Under this scenario, the Main Street Alameda terminal will remain the Alameda hub for off-peak and weekend service, Giants and Warriors service and the South San Francisco route. This was the preferred service scenario initially developed for

implementation with new RM3 funds, and, after review of two other alternatives in light of WETA's current funding constraints, is still the WETA staff recommendation and the City's preferred service alternative.

At the November meeting, the WETA Board requested that staff return in December with an item to approve required operating agreements between the City and WETA to support moving forward with new Seaplane Lagoon ferry service in August 2020.

Discussion

In anticipation of the completion of the new Seaplane Lagoon Terminal in Spring/Summer 2020, staff from WETA and the City have worked in recent months to develop formal agreements to support WETA operation of new Seaplane Lagoon ferry service consistent with the framework established in the 2016 project MOU. The proposed Ferry Terminal Operating Agreement is provided as **Attachment A**. The Operating Agreement includes the License Agreement as **Exhibit B** and a Bill of Sale agreement as **Exhibit D**. These three agreements will replace the original project MOU and are provided for Board consideration and approval.

Key elements of the Operating Agreement are that it:

- Defines landside and waterside areas of responsibility. Consistent with the original project MOU, WETA will own and be responsible for the waterside assets, which include the float, gangway and pilings. The City will be responsible for the pier, parking lot and other landside areas dedicated to pedestrians, bicycles and drop-off zones.
- Creates a transaction document – through a Bill of Sale – for transfer of ownership of the waterside assets and related warranties and guaranties from Alameda Point Partners, LLC, the City's developer and contracting entity for the terminal construction once the terminal construction is completed and accepted.
- Establishes WETA as the lead agency in determining service fares and schedules consistent with WETA Board policies.
- Provides WETA the exclusive right to permit third party ferry/boat operators to use the Seaplane Terminal to land boats, so long as any third-party ferry/boat operators agree to assume all liability and risk arising from or related to their use of the Seaplane Terminal.
- Defines insurance and indemnity obligations that are consistent with other WETA facilities in Alameda and the WETA network.
- Identifies a mutual desire by both agencies to transfer parking and landside assets at both the Main Street and Harbor Bay terminals to City control, allowing for a unified parking and access management approach at all three Alameda ferry terminals.
- Identifies a mutual interest for both parties to improve access to ferry terminals by all modes. This includes managing parking assets that may require fees in the future, provided that revenues are invested in maintaining parking lots or operational costs for the Seaplane Terminal.
- Defines a termination and asset transfer timeline and process should WETA cease to operate ferry services at the Seaplane Lagoon Terminal at some future date.

The terms of the License Agreement are consistent with the Operations Agreement. The License Agreement requires WETA to pay \$1 annually for use of underwater property at the Seaplane Lagoon Terminal and the navigable channel in Seaplane Lagoon. The term of the License Agreement extends for 66 years. The City will be responsible for landside areas at the terminal, including the pier, parking lot and other public areas.

The Bill of Sale agreement transfers ownership of the waterside assets (Float, Gangway, Float-supportive pilings) from the City of Alameda to WETA. The assets will be conveyed at no cost to WETA.

The Alameda City Council will consider adoption of the Operating Agreement and Bill of Sale Agreement at its December 17, 2019 meeting. The License Agreement will require two council meetings for approval, which are scheduled for December 17, 2019 and January 7, 2020.

Fiscal Impact

The annual Seaplane Lagoon operating budget is estimated to be \$3.9 million beginning in FY 2020/21. Staff estimates that it will cost approximately \$2.3 million in net new operating subsidy annually to operate this service, as the full budgeted cost will be partially offset by the concurrent Alameda/Oakland service restructure and an estimated \$300,000 in new annual fare revenue. In the absence of new RM3 funds, staff recommends utilizing WETA surplus carryover funds, some of which are Alameda-specific sales tax and local funds, to prioritize Seaplane Lagoon service operation beginning in August 2020. Staff will budget for the start-up and operation of the new Seaplane Lagoon service beginning with the FY 2020/21 Operating Budget.

END

Attachment A

Seaplane Lagoon Ferry Terminal Operating Agreement

This Seaplane Lagoon Ferry Terminal Operating Agreement (“**Operating Agreement**”) is entered into effective _____, 20__ by and between the City of Alameda (“**City**”) and the San Francisco Bay Area Water Emergency Transportation Authority (“**WETA**”) (collectively, the “**Parties**” and individually a “**Party**”) to define the rights and responsibilities of the Parties in connection with the operation of the ferry service at the Seaplane Lagoon Ferry Terminal.

RECITALS

1. City is a charter city and a municipal corporation located in Alameda County, California.
2. WETA is a regional public transit agency tasked with operating and expanding ferry service on the San Francisco Bay and with coordinating the water transit response to regional emergencies. Pursuant to California Government Code Section 66540.7(a), WETA has "the responsibility within the area of its jurisdiction to study, plan, and implement any improvements, expansion, or enhancements of existing or future public transportation ferries and related facilities and services."
3. On February 25, 2011, the Parties executed a Ferry Service Operations Transfer Agreement (“**Transfer Agreement**”) applicable to the Main Street Ferry Terminal and Harbor Bay Ferry Terminal, which contemplated possible future ferry service at Seaplane Lagoon.
4. On April 7, 2016, WETA and City entered into the Seaplane Lagoon Ferry Service Project Memorandum of Understanding (“**MOU**”) to establish the framework for development of a future Seaplane Lagoon Ferry Terminal and new ferry service connecting Alameda Point and San Francisco.
5. On September 4, 2018, the City approved an updated Seaplane Lagoon Ferry Terminal Plan.
6. The MOU identified that an operational subsidy would be required to initiate and sustain new Seaplane Terminal Ferry Service. As of the time of the MOU's execution, no sufficient operating funding was available. The parties agreed to collaborate in seeking regional and other funding sources for operational subsidies for WETA ferry service to Seaplane Lagoon, including any funding from a potential regional measure.
7. Regional Measure 3 (“**RM3**”), which would provide WETA with sufficient new operating subsidy to support Seaplane Terminal Ferry Service, was approved by the voters in June 2018. However, RM3 funds are currently unavailable due to ongoing legal challenges to the measure. Nevertheless, WETA has committed to utilize its surplus carryover funds to support the start of new Seaplane Terminal Ferry Service (as defined in Section 2.d) in August 2020 in the interim, until RM3 funds are available.

8. Construction of the Seaplane Terminal (as defined in Section 2.c) is financed with private and public sources and is expected to cost approximately \$22 million. On September 6, 2018, WETA's Board approved a \$2 million contribution from WETA toward the construction of the Seaplane Terminal, and adopted Resolution 2018-28, establishing that the contribution reflected WETA's commitment to the construction of the Seaplane Terminal and also the requirement that WETA have exclusive control and authority over the new terminal facility and any private operator landings at the new terminal. The funding arrangement between WETA and City is memorialized in that certain Construction Funding Agreement dated June 11, 2019 (“**Funding Agreement**”).
9. On July 25, 2019, the City and Alameda Point Partners, LLC, a Delaware limited liability company (“APP”), the developer of the Seaplane Terminal, entered into that certain Funding, Construction and Dedication Agreement (the “APP/City Agreement”), pursuant to which the City and APP documented certain obligations they owe to each other, as well as certain other material matters related to the funding, construction and transfer of the Landside Assets and Waterside Assets following completion by APP.
10. WETA has approved the design, engineering plans, and construction plans that were the basis for permitting the construction of the Seaplane Terminal (the “**Seaplane Terminal Plans**”).
11. The Parties now desire to enter into this Operating Agreement to establish the rights and responsibilities of the Parties in connection with the operation of the Seaplane Terminal.
12. The Parties' current plans are for the Seaplane Terminal to be operating on or around August 17, 2020 (“**Expected Operating Date**”).

AGREEMENT

1. **Recitals.** The recitals described above are incorporated into and made a part of this Operating Agreement.
2. **Definitions.** This Operating Agreement is subject to the following definitions:
 - a. “**Landside Area**” means the area of land described in Exhibit A-1.
 - b. “**Landside Assets**” means the following improvements located at Seaplane Terminal, which are located within the Landside Area:
 - i. All improvements to the landside at the point of junction of the sea wall (or comparable structure) and the shoreline;
 - ii. Parking facilities for approximately 400 vehicles, with the City making reasonable efforts to ensure priority for ferry riders during ferry operation hours, at temporary and permanent locations within close proximity to the Seaplane Terminal;
 - iii. Passenger drop-off and pick-up area and/or “Kiss and Ride” area;

- iv. Public access path connecting the Alameda Point development to the Seaplane Terminal;
 - v. Bike access routes and bike parking areas at and around Seaplane Terminal;
 - vi. Pier serving as a passenger walkway from the land to the gangway; and
 - vii. The canopy over the pier to provide protection from the elements while passengers are waiting for the ferry.
- c. "**Seaplane Terminal**" means the site of the Seaplane Lagoon Ferry Terminal located at Alameda Point and further described in Exhibit A-2.
- d. "**Seaplane Terminal Ferry Service**" means the ferry service to be provided by WETA between the Seaplane Terminal and the San Francisco Ferry Building.
- e. "**Waterside Area**" means the submerged land under the Waterside Assets, and the submerged land under the path of travel to and from the Waterside Assets through the Seaplane Lagoon as further described in Exhibit A-3.
- f. "**Waterside Assets**" means the following personal property located at the Seaplane Terminal:
- i. A gangway connecting the pier to the passenger boarding float;
 - ii. A passenger boarding float for entering and exiting a ferry vessel;
 - iii. An access control gate to be located on the pier to provide access to the gangway;
 - iv. The portion of the walkway on the pier on which the access control gate is located;
 - v. Fixed piles supporting the float and gangway; and
 - vi. Any other waterside equipment WETA deems necessary for operation of the Seaplane Terminal (as discussed in Section 6.d).
3. **Term of Agreement.** The term of this Agreement will be coterminous with the term of the License attached hereto as Exhibit B. This Operating Agreement will automatically terminate or expire on the date of termination or expiration of the License with no need for further action by either Party.
4. **Interpretation and Effect of MOU and Transfer Agreement.**
- a. MOU. The Parties acknowledge that the MOU established the Parties' intentions for the Seaplane Terminal and Seaplane Terminal Ferry Service. However, the Parties have caused the MOU terms and conditions to be included in this Operating Agreement. Accordingly, as of the date of this Operating Agreement, the MOU shall be of no further force or effect.
 - b. Transfer Agreement.
 - i. The Parties acknowledge that the Transfer Agreement contemplated possible future ferry service at Seaplane Lagoon. The Parties recognize that Section

11.9 of the Transfer Agreement no longer reflects the Parties' intent with respect to Seaplane Lagoon. Accordingly, as of the date of this Operating Agreement, Section 11.9 of the Transfer Agreement shall have no further effect, and with respect to Seaplane Terminal, this Operating Agreement and the License shall control. If the Parties later amend the Transfer Agreement, any amendment will include language implementing the intent of this Section 4.b.i.

- ii. The Parties are committed to working cooperatively in an effort to amend the Transfer Agreement to cause City to operate and maintain those Main Street Ferry Terminal and Harbor Bay Ferry Terminal landside improvements subsequently agreed to by the Parties. WETA will continue to maintain and operate all Main Street Ferry Terminal and Harbor Bay Ferry Terminal waterside improvements. The Parties further agree to use good faith efforts to achieve this amendment to the Transfer Agreement in accordance with the Transfer Agreement Amendment Period Milestone Schedule set forth in Exhibit C.

5. **City's Rights and Responsibilities**. City's rights and responsibilities in connection with the Seaplane Terminal are as follows:

- a. As required by the MOU, the City has completed project environmental clearances and project permitting, including but not limited to approvals required by the National Marine Fisheries Service, the U.S. Fish and Wildlife Service, the San Francisco Bay Area Regional Water Quality Control Board, the Army Corps of Engineers, and the Bay Conservation and Development Commission ("**BCDC**").
- b. Contract for and manage the design and construction of the Seaplane Terminal, including all Landside Assets and Waterside Assets, subject to WETA's review and acceptance of the design and construction of the Waterside Assets, as described in Section 6. The "**Completion**" of the Seaplane Terminal shall be evidenced by a Certificate of Occupancy or comparable approval from City.
- c. Continue to own and maintain (as and to the extent determined necessary by the City) the Waterside Area, subject to WETA's maintenance, repair and remediation duties described in Section 6, and own and maintain, at its sole expense, the Landside Area and Landside Assets.
- d. Execute a license, in a form substantially the same as the one attached hereto as Exhibit B, which reflects (i) a sixty-six (66) year term, (ii) a license fee of \$1.00 per year due from WETA, (iii) a license area encompassing the Waterside and the Landside Area ("**License Area**"), and (iv) access and use of the License Area by WETA consistent with this Operating Agreement ("**License**").
- e. City has provided WETA with copies of all previously issued governmental approvals, permits, agreements or restrictions applicable to the Waterside Area and

Waterside Assets, including but not limited to approvals, permits, agreements or restrictions issued by the State Lands Commission, the BCDC and/or the BCDC Design Review Board, City's Planning Board and City's Historical Advisory Board. WETA confirms that this obligation of City has been met.

- f. Assign to WETA, on a non-exclusive basis, all rights with respect to the Waterside Assets arising under that certain Service Provider Agreement between the City and Marcy Wong Donn Logan Architects, dated March 6, 2018 (the “**MWDL Agreement**”), including, without limitation, the right to defense and indemnity under Section 9 of the MWDL Agreement, and any claims for design defects (“**Defect Claims**”), to the extent allowable by law and the MWDL Agreement. The City will also cooperate with WETA in pursuing Defect Claims arising out of or related to the Waterside Assets. Notwithstanding Section 7, to the extent that the City receives any direct warranties or guarantees from any third party with respect to work performed on the Waterside Assets, the City will assign and transfer to WETA those warranties and guaranties on a non-exclusive basis to the extent permitted by each particular document and law.
 - g. Pay for all utility charges associated with the Landside Assets and Landside Area.
 - h. Insure the Landside Area and the Waterside Area in accordance with Section 11.
6. **WETA's Rights and Responsibilities.** WETA's rights and responsibilities in connection with the Seaplane Terminal are as follows:
- a. Exercise reasonable review and approval authority over construction and any material design changes during construction of the Seaplane Terminal in accordance with Section 7.
 - b. Own, maintain, repair and replace (as and to the extent determined necessary by WETA), at its sole cost, all Waterside Assets
 - c. Pay for all utility charges associated with the Waterside Assets.
 - d. Pay for any additional waterside equipment, as and to the extent determined necessary by WETA for the Seaplane Terminal Ferry Service operation, and all dredging activity within the Waterside Area (again, as and to the extent determined necessary by WETA for Seaplane Terminal Ferry Service operations). Any such additional waterside equipment paid for by WETA will be considered Waterside Assets as set forth in Section 2.f.vi. With respect to dredging activities for which WETA is responsible under this paragraph, WETA shall be responsible for obtaining, at its cost, all required permits and approvals, and the City shall cooperate with such efforts and serve as the applicant to the extent necessary.
 - e. Maintain and repair any submerged real property within the Waterside Area only to the extent it is damaged or contaminated by WETA and/or WETA's operation of the Seaplane Terminal Ferry Service, and to the extent such repairs are necessary to

- provide the Seaplane Terminal Ferry Service. Maintenance and repair activities include, without limitation, promptly abating and/or removing hazardous materials in the Waterside Area to the extent caused by WETA, to the extent necessary to provide the Seaplane Terminal Ferry Service. All repair, maintenance and abatement by WETA shall be done in a manner consistent with the standard of care with which WETA manages other Bay Area ferry service terminals and in compliance with all applicable laws.
- f. Comply with all applicable local, state and federal laws, including, without limitation, all environmental laws, and the speed restrictions set forth in Mitigation Measure 4.E-4a (Marine Craft Access Corridor) of the Seaplane Lagoon Ferry Terminal Addendum Mitigation Monitoring and Reporting Program, attached to and incorporated into this Operating Agreement as Exhibit E.
 - g. Provide and operate the Seaplane Terminal Ferry Service, including, without limitation, providing all vessels required to provide Seaplane Terminal Ferry Service.
 - h. Operate Seaplane Terminal Ferry Service in a manner that is consistent with the standard of care with which WETA operates other Bay Area ferry services and terminals.
 - i. In consultation with the City, develop an initial service plan for Seaplane Terminal Ferry Service focused on delivering weekday, peak period service. WETA intends that the initial service plan will meet the minimum service level goals established in its system expansion policy . Notwithstanding the Parties' joint commitment to maximize ferry service, the Parties acknowledge that (i) financial constraints and uncertainties may require WETA to set and change, any service levels to meet WETA's available financial operating resources, (ii) actual Seaplane Terminal Ferry Service levels may depend on customer demand, in particular given the need to coordinate service at the Seaplane Terminal with service at other terminals in Alameda, and (iii) WETA ultimately has the sole and exclusive authority to set and change service levels in accordance with its statutory authority as well as its Board-adopted service policies and strategic plans. As an active partner and the home to thousands of WETA ferry riders, City staff and residents will be included in all public outreach activities related to any significant proposed service changes. If during the term, WETA determines that it will be necessary or prudent to materially reduce or discontinue ferry service at Seaplane Terminal, WETA shall use good faith efforts to give City written notice of such changes as early as reasonably possible. If WETA discontinues ferry service at Seaplane Terminal for a period of more than 150 consecutive calendar days, then either Party may terminate this Agreement upon at least 60 calendar days' written notice. Upon the receipt of written notice of termination by a Party, the Parties will, during the 60 day notice period commencing upon receipt, negotiate in good faith the terms and conditions of termination; provided that the terms of any termination will grant the City the right to (i) acquire the Waterside Assets for a sum that acknowledges WETA's proportionate depreciated investment in the Waterside Assets (except that WETA may elect to retain ownership

of the additional waterside equipment identified in Section 6.d), and (ii) operate or cause a third party operator to operate ferry service at Seaplane Terminal, subject to the City or such third party operator being lawfully able to operate ferry service in the San Francisco Bay.

- j. In the event of an emergency, a natural disaster, or a regionally disruptive event, all as reasonably determined by WETA, WETA may temporarily suspend or modify Seaplane Terminal Ferry Service, and use the Seaplane Terminal, as necessary, to fulfill its emergency response mandate. In such an event, WETA will provide City with notice as appropriate under the circumstances.
- k. Establish fares as determined by WETA; any future changes or increases to fares are at WETA's discretion.
- l. WETA has the exclusive right to permit third party ferry/boat operators to use the Seaplane Terminal to land boats, so long as any third party ferry/boat operators agree in writing to assume all liability and risk arising from or related to their use of the Seaplane Terminal. WETA will require any third party ferry/boat operator to indemnify and insure the City to the same extent as it requires the third party ferry/boat operator to indemnify and insure WETA. WETA agrees to notify the City if it permits a third party ferry/boat operator to use the Seaplane Terminal to land boats and to provide evidence to City that the above requirements have been met.
- m. Insure (i) the Waterside Assets, (ii) all vessels used for Seaplane Terminal Ferry Service, and (iii) WETA's operation of Seaplane Terminal Ferry Service, all in accordance with Section 11.

7. **Review and Acceptance of Design and Construction of Seaplane Terminal.**

- a. The Parties agree that WETA's ongoing approval of construction of the Seaplane Terminal will be necessary and beneficial for operating the Seaplane Terminal Ferry Service. Accordingly, City will provide WETA with at least ten (10) Business Days to review and approve any material changes to already-approved design specifications and architectural, engineering and construction plans (for both Landside and Waterside Assets).
- b. Following Completion of the Waterside Assets, including any Punch List items (as described in Section 6.2.4 of the APP/City Agreement), APP must, as described in Section 7.2.1 of the APP/City Agreement, transfer to WETA (i) a copy of the "as-built" Approved Ferry Terminal Plans, and (ii) the Waterside Assets pursuant to a "**Bill of Sale**," substantially in the form attached hereto as Exhibit D. In addition, APP must assign and transfer to WETA (on a non-exclusive basis) all warranties and guaranties made by received or provided by any third party, the contractor, and any subcontractors with respect to work performed on the Waterside Assets (as further discussed in Section 7.2.1 of the APP/City Agreement). In particular, APP will assign and transfer to WETA those warranties and guaranties provided by (i) DiSilva

Gates Construction (“**DiSilva**”) in that certain Subcontract Agreement dated July 25, 2019 between Maple Construction NorCal LP, an affiliate of APP (“**Maple**”), and DiSilva, and (ii) Power Engineering Construction Co. (“**Power**”) in that certain Subcontract Agreement dated April 19, 2019 between Maple and Power. City must use commercially reasonable efforts to cause APP to comply with its obligations under Section 7.2.1 of the APP/City Agreement. The Parties acknowledge that WETA’s delivery of a notice of acceptance of the Waterside Assets, as set forth in Sections 6.2.4 and 7.2 of the APP/City Agreement, is conditioned on APP’s performance of the obligations described above and WETA will not commence provision of the Seaplane Terminal Ferry Service until and unless APP has complied with all requirements of this Section, as determined by WETA in its sole, but reasonable discretion.

- c. If requested by WETA, or WETA's successors and assigns, City agrees to do, execute, acknowledge and deliver, or cause to be done, executed and delivered to WETA, or WETA's successors or assigns, further reasonable acts, transfers, assignments, deeds, powers and assurances of title, and additional papers and instruments necessary to perfect WETA's ownership of the Waterside Assets consistent with this Agreement.
- d. City must use commercially reasonable efforts to assist WETA in exercising the rights granted to WETA in the APP/City Agreement, including, without limitation, the rights stated in Section 6.2.4 regarding written notice of the substantial completion of the Seaplane Terminal, the right to inspect the construction of the Seaplane Terminal during the construction and prior to acceptance, and the right to obtain corrections for defects and the Punch List items

8. **Future Environmental Approvals.** The Parties agree to work collaboratively to secure necessary permits and environmental clearances for any future modification of Seaplane Terminal or the Seaplane Terminal Ferry Service.

9. **Additional Efforts to Support Ferry Service.** To incentivize use of the Seaplane Terminal Ferry Service, the Parties agree to work cooperatively to take the following actions in furtherance of the goals set forth in this section:

- a. City will lead and WETA will support efforts to advocate for and coordinate with AC Transit and other potential local transit operators to provide frequent, reliable and convenient bus service to the Seaplane Terminal and the Main Street Terminals.
- b. City acknowledges that it will implement transit service consistent with the Transportation Demand Management Program for Alameda Point.
- c. City will evaluate the possible implementation of parking fees at Seaplane Terminal, in consultation with WETA, as a part of a larger ferry terminal parking management plan. The parking proceeds, if any, from the Seaplane Terminal and Main Street

Terminal lots would be designated for use in connection with ferry terminal parking lots, maintenance and operational costs for the Seaplane Terminal and the Main Street Terminal parking lot.

- d. City will evaluate the parking capacity needs at the Seaplane Terminal and plan for possible increased capacity as ridership increases and/or changes among the three (3) ferry terminals in the City.
10. **Public Outreach.** Both Parties have the shared responsibility of engaging in public outreach to inform Alameda residents, existing ferry riders and other stakeholders about ferry service transitions and operations among ferry terminals in connection with the Seaplane Terminal.
 11. **Insurance.** WETA will procure and maintain in full force and effect during the term of this Operating Agreement, insurance coverages for the Waterside Assets, all WETA vessels used at Seaplane Terminal, and WETA's operation of Seaplane Terminal Ferry Service. The City will procure and maintain in full force and effect during the term of this Operating Agreement, insurance coverages for the Landside Assets and the Waterside Area. The insurance obtained and maintained by WETA shall be identical to and in compliance with the insurance requirements in the License, and the insurance obtained and maintained by the City shall be substantially consistent with insurance carried by the City on its other properties, provided that WETA and City will name the other and such related parties as each may request as additional insureds on all insurance policies, and will require any third party contractor engaged in connection with the Seaplane Terminal to name the same parties as additional insureds. The Parties also agree that in the event of loss due to any of the perils for which a Party has agreed to provide comprehensive general and/or automotive liability insurance, that Party shall look solely to its insurance for recovery. Each Party shall grant to the other, on behalf of any insurer providing comprehensive general and automotive liability insurance, a waiver of any right to subrogation, which the insurer of may acquire by virtue of the payment of any loss under such insurance.
 12. **Indemnity**
 - a. Except to the extent caused, or alleged to have been caused, by City's negligence or willful misconduct, WETA will indemnify, defend (with counsel reasonably acceptable to City) and hold harmless City, its Council members, Board and Commission members, committee members, officers, agents, volunteers and employees ("**City Indemnities**") from any and all claims, liability, costs, penalties, fines, damages, injuries, judgments, forfeitures, losses or expenses (including without limitation attorneys' fees, consultant fees, testing and investigation fees, expert fees and court costs) arising out of, or in any way related to, or resulting directly or indirectly from:
 - i. The Waterside Assets.

- ii. WETA's operation and management of the Seaplane Terminal Ferry Service.
 - iii. WETA's use, maintenance, or repair of the Waterside Area.
 - iv. Use or contamination of the Waterside Area or Landside Area by any third party boat or ferry operating pursuant to WETA approval at Seaplane Terminal
 - v. Any unlawful use, storage, transportation, release or disposal of hazardous materials by WETA in its performance of this Operating Agreement.
 - vi. Any failure by WETA to comply with the terms and conditions of this Operating Agreement.
- b. Except to the extent caused, or alleged to have been caused, by WETA's negligence or willful misconduct, City will indemnify, defend (with counsel reasonably acceptable to WETA) and hold harmless WETA, its Board members, directors, officers, agents and employees (“**WETA Indemnities**”) from any and all claims, liability, costs, penalties, fines, damages, injuries, judgments, forfeitures, losses or expenses (including without limitation attorneys' fees, consultant fees, testing and investigation fees, expert fees and court costs) arising out of, or in any way related to, or resulting directly or indirectly from:
- i. The Waterside Area, except to the extent caused by WETA's use, maintenance, or repair of the Waterside Area.
 - ii. The Landside Area.
 - iii. The Landside Assets.
 - iv. Any unlawful use, storage, transportation, release or disposal of hazardous materials by City in its performance of this Operating Agreement.
 - v. Any failure by City to comply with the terms and conditions of this Operating Agreement.
- c. The indemnification of each Party to the other will survive the termination or expiration of this Operating Agreement.
13. **Assignment**. Neither Party may assign any of its rights nor transfer any of its obligations under this Operating Agreement without the other Party's prior written consent.
14. **Compliance with All Applicable Laws**. The Parties agree to comply with all applicable local, state, and federal laws.
15. **Default**. The failure by WETA or City to timely perform a material obligation under this Operating Agreement will constitute a default permitting (except as otherwise described

herein) the non-defaulting Party to provide written notice to the defaulting Party demanding that the defaulting Party cure the default, or provide a reasonably acceptable plan for curing the default, within ninety (90) calendar days of receipt of the default notice, or a longer period, as determined by the non-defaulting Party. If the defaulting Party fails to timely cure the default, or provide a reasonably acceptable plan for curing the default, the non-defaulting Party may immediately terminate this Operating Agreement and may also exercise all other rights and remedies available at law and equity.

16. **Waiver.** No waiver by WETA or City of a breach of any of the terms, covenants, or conditions of this Operating Agreement by the other Party will be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. No waiver of any default by WETA or City will be implied from any omission by the other Party to take any action on account of such default if such default persists or is repeated, and no express waiver will affect a default other than as specified in such waiver. The consent or approval by WETA or City to or of any act by the other Party requiring the consent or approval of the first Party will not be deemed to waive or render unnecessary such Party's consent or approval to or of any subsequent similar acts by the other Party.
17. **Limitation of Damages.** Neither WETA nor City will have any liability to the other for business interruption, punitive, speculative or consequential damages as a result of default or termination of this Operating Agreement.
18. **Costs and Attorneys' Fees.** In any judicial action or proceeding between or among the Parties to enforce any of the provisions of this Operating Agreement, regardless of whether such action or proceeding is prosecuted to judgment, and in addition to any other remedy, the non-prevailing Party will pay to the prevailing Party all out-of-pocket costs and expenses (including reasonable attorneys' fees, which will include the reasonable value of any general counsel or City Attorney services utilized by the successful Party) incurred therein by the prevailing Party. For the purposes of this section, the term "prevailing Party" means the Party which obtains substantially the relief it sought to obtain.
19. **Notices.** All notices and communications related to this Operating Agreement deemed by either Party to be necessary or desirable must be in writing and may be given by e-mail, plus mailing the same postage prepaid; personal delivery; or nationally recognized overnight courier to a representative of the Parties addressed as follows:

To WETA:

Attention: Nina Rannells
San Francisco Bay Area Water Emergency Transportation
Authority
Pier 9, Suite 111
San Francisco, CA 94111
Email: rannells@watertransit.org

To City: Attention: Eric J. Levitt and Debbie Potter
City of Alameda
950 West Mall Square
Alameda, CA 94501
Email: ele vitt@alamedaca.gov and
dpotter@alamedaca.gov

Additional Copy to: Attention: City Attorney
City of Alameda
2263 Santa Clara Avenue, Room 280
Alameda, CA 94501
Email: yshen@alamedacityattorney.org
and lmaxwell@alamedacityattorney.org

The address to which mailings may be made may be changed from time to time by written notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

20. **Dispute Resolution.** The Parties agree that any dispute arising from this Operating Agreement and/or the License that is not resolved within thirty (30) Business Days by the Parties' representatives responsible for the administration of this Operating Agreement will be set forth in writing by each Party and delivered to the attention of both WETA's Executive Director (“ED”) and the City Manager for resolution. In the event resolution cannot be reached by the ED and the City Manager, the Parties agree to meet and confer to discuss the appropriate method of resolution. The Parties may agree to an alternative dispute resolution process, including mediation and/or arbitration.
21. **Amendments.** Except as otherwise provided herein, this Operating Agreement may be amended or modified only by a written instrument executed by City and WETA.
22. **Governing Law.** This Operating Agreement will be governed by and construed in accordance with the laws of the State of California.
23. **Severability.** If any phrase, clause, sentence, paragraph, section, article, or other portion of this Operating Agreement becomes illegal, null or void or against public policy, for any reason, or is held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Operating Agreement will not be affected thereby and will remain in force and effect to the fullest extent permissible by law.
24. **Counterparts.** This Operating Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which counterparts together will constitute one agreement.
25. **Effective Date.** This Operating Agreement will be effective on the date the Operating Agreement was entered and executed as first set forth above.

26. **Time of the Essence.** Time is of the essence of this Operating Agreement.
27. **Business Day.** As used herein, the term “**Business Day**” shall mean a day that is not a Saturday, Sunday or legal holiday in the state of California. In the event that the date for the performance of any covenant or obligation under this Operating Agreement, or delivery of any notice, shall fall on a Saturday, Sunday or legal holiday under the laws of the State of California, the date for performance thereof shall be extended to the next Business Day.
28. **Construction.** This Operating Agreement has been negotiated by the Parties who have had the opportunity to consult their respective counsel. This Operating Agreement shall not be construed more strictly against one Party hereto than against any other Party hereto merely by virtue of the fact that it may have been prepared by counsel for one of the Parties. The term “including” or “includes” or any other similar term or phrase of inclusion shall be deemed to be followed in each instance by the words “but not limited to,” so as to designate an example or examples of the described class and not to designate all members of that class (it being the intention of the parties that each hereby waives the benefits of Section 3534 of the California Civil Code).
29. **Entire Agreement.** This Operating Agreement, as supplemented by the Transfer Agreement, the License Agreement, and the Funding Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings, and representations, oral or written, are superseded.

IN WITNESS WHEREOF, the Parties have signed this Operating Agreement as of the date first set forth above.

WATER EMERGENCY TRANSPORTATION AUTHORITY

By: _____
Nina Rannells, Executive Director

Date: _____

Approved as to form:

Attorney for WETA

CITY OF ALAMEDA

By: _____
Eric J. Levitt, City Manager

Date: _____

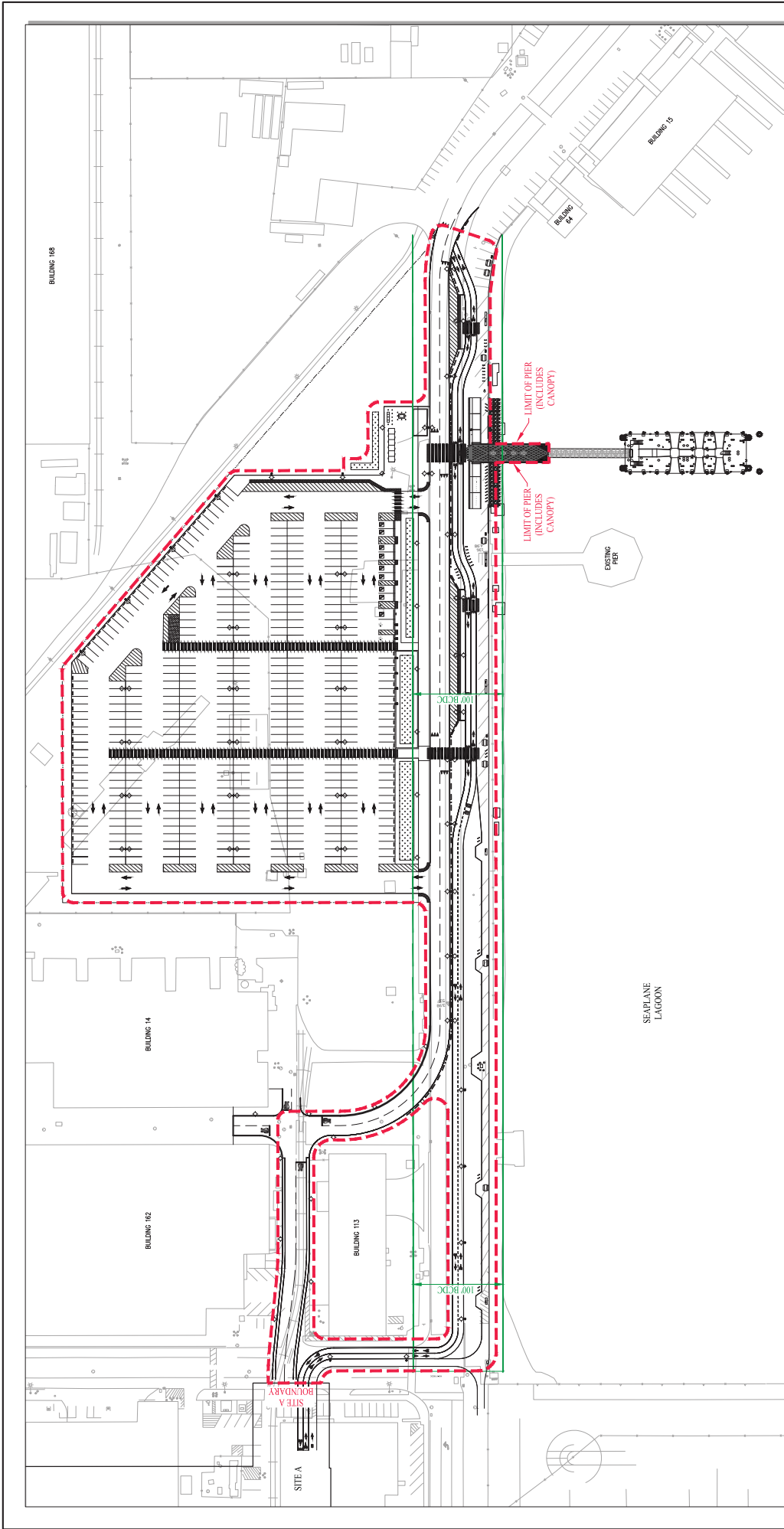
Recommended for approval:

By: _____
Debbie Potter, Community Development Director

Approved as to form:
City Attorney:

By: _____
Lisa Nelson Maxwell, Assistant City Attorney



Exhibit A-1
Landside Area



LEGEND
 - - - - - DEMARCATION OF LANDSIDE EASEMENT

EXHIBIT A-1: LANDSIDE AREA

CITY OF ALAMEDA ALAMEDA COUNTY CALIFORNIA

SCALE: 1" = 50'
 DATE: AUGUST 15, 2019
 CIVIL ENGINEERS SURVEYORS PLANNERS


 SAN RAMON (925) 866-0322
 SACRAMENTO (916) 375-1877
 WWW.CBGENGINEERS.COM

©2019 CAGS CONTRACTORS, TERRITORY, TRAINING, CAREER CONNECTIONS

Exhibit A-2
Seaplane Terminal

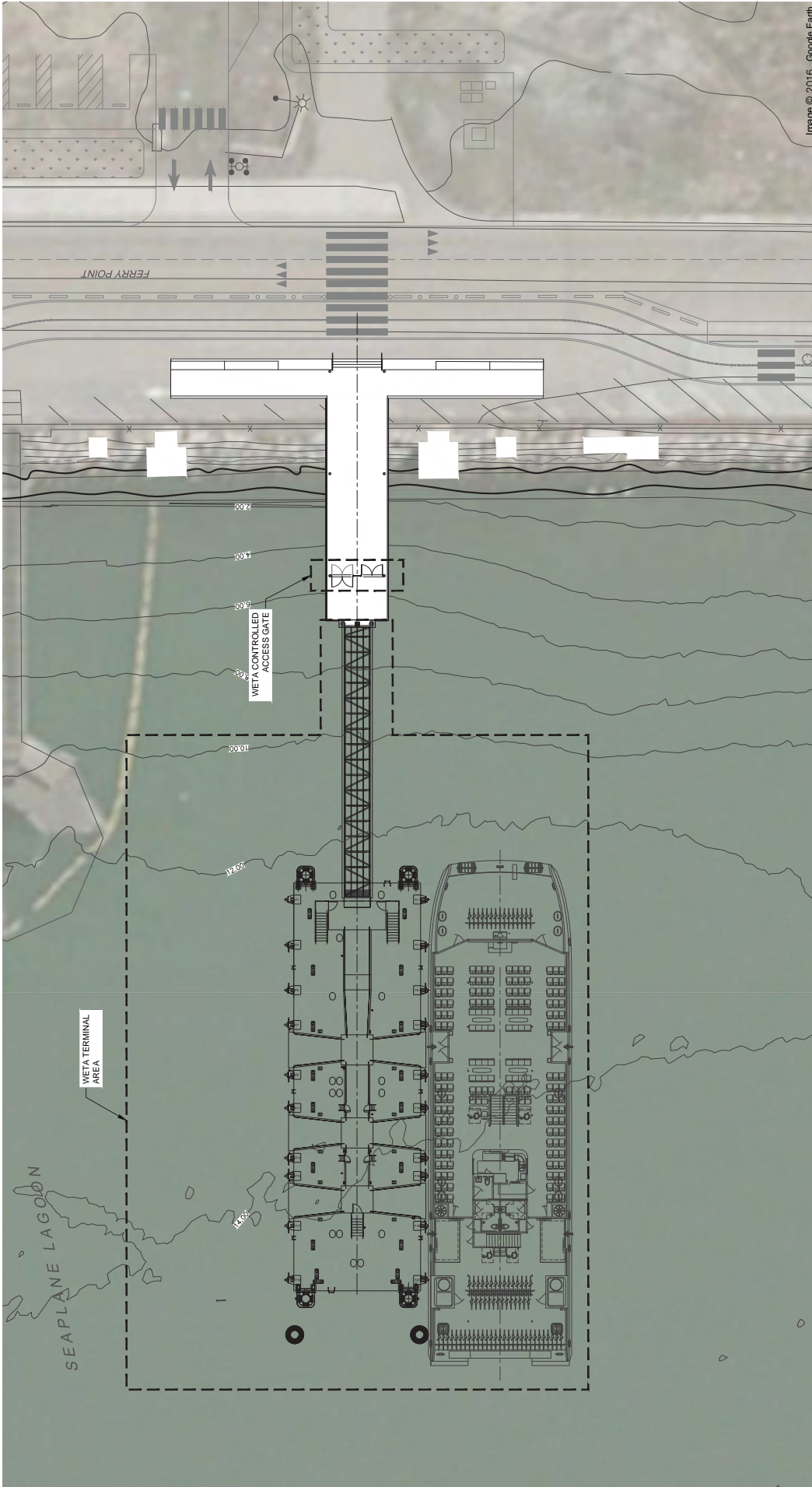


Image © 2016 Google Earth

1 EXHIBIT A-2: SEAPLANE TERMINAL
 SCALE: 1/16" = 1'-0" AT FULL SIZE

| <p>CITY OF ALAMEDA 94601 1400 CALIFORNIA STREET FIDELITY+THORNTON PARTNERS TRANSMISSION RESIDENTIAL SUPPLEMENTAL</p> | <p>Client CITY OF ALAMEDA Michelle Gibbs</p> <p>Developer ALAMEDA POINT PARTNERS Supplemental</p> | <p>Architects MARCY WONG DONN LOGAN 1015 ALAMEDA STREET, SUITE 200 ALAMEDA, CA 94601 Tel: 415.762.5500 Email: mlogan@mwlogandonn.com</p> <p>Marine/Structural Engineer COWI NORTH AMERICA INC Tel: 415.762.7764 Email: pnc@cowi.com</p> | <p>Civil Engineer BKJ 1440 23rd Street, Alameda, CA 94601 Tel: 415.762.5500 Email: dchou@bkj.com</p> <p>Electrical Engineer THE ENGINEERING ENTERPRISE 1415 23rd Street, Alameda, CA 94601 Tel: 415.762.5500 Email: pnc@engineering.com</p> | <p>Landscape Architect GROUNDWORKS OFFICE 1715 Mission Street, Alameda, CA 94601 Tel: 415.762.5500 Email: info@groundworks.org</p> <p>Lighting Design HORTON LEE'S BROGREN 1715 Mission Street, Alameda, CA 94601 Tel: 415.762.5500 Email: info@hortonlees.com</p> | <p>Stamp</p> <p>Project SEAPLANE LAGOON FERRY TERMINAL 0 Ferry Point Road, Alameda CA 94501</p> | <p>Revisions</p> <table border="1"> <thead> <tr> <th>Issue</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table> | Issue | Date | | | <p>Project No. 1801 Phase SKETCH Date 08/19/2019 Drawn by Jlf Checked by JPC Scale at Sheet Size 22/64</p> | <p>Sheet Name Sheet No.</p> |
|--|---|---|---|--|---|--|-------|------|--|--|---|---|
| Issue | Date | | | | | | | | | | | |
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Exhibit A-3
Waterside Area



Image © 2016 Google Earth

SAN FRANCISCO BAY
ANCHORAGE NUMBER
9

1 EXHIBIT A-3: WATERSIDE AREA
NOT TO SCALE


| | | | | | | | |
|---|---|---|---|---|---|---|---------------------------------|
|  <p>CITY OF ALAMEDA SHERIDAN SQUARE 1400 CALIFORNIA AVENUE ALAMEDA, CA 94501 415.762.3100 www.cityofalameda.org</p> | <p>Client CITY OF ALAMEDA Michelle Gibbs</p> <p>Developer ALAMEDA POINT PARTNERS Supplemental</p> | <p>Architects MARCY WONG DONN LOGAN Attn: Marc Wong 1015 Alameda Street, Suite 200 Alameda, CA 94501 415.762.3100 www.marcywong.com</p> <p>Marine/Structural Engineer COWI NORTH AMERICA INC Attn: Steve Fink 1015 Alameda Street, Suite 200 Alameda, CA 94501 www.cowi.com</p> | <p>Civil Engineer BKF Attn: Marc Wong 1015 Alameda Street, Suite 200 Alameda, CA 94501 415.762.3100 www.bkf.com</p> <p>Electrical Engineer THE ENGINEERING ENTERPRISE Attn: Marc Wong 1015 Alameda Street, Suite 200 Alameda, CA 94501 www.theengineeringenterprise.com</p> | <p>Landscape Architect GROUNDWORKS OFFICE Attn: Marc Wong 1015 Alameda Street, Suite 200 Alameda, CA 94501 415.762.3100 www.groundworks.com</p> <p>Lighting Design HORTON LEE'S BROGREN Attn: Marc Wong 1015 Alameda Street, Suite 200 Alameda, CA 94501 www.hortonlees.com</p> | <p>Stamp 08/07/2019</p> <p>Project SEAPLANE LAGOON FERRY TERMINAL 0 Ferry Point Road, Alameda CA 94501</p> | <p>Revisions Issue _____ Date _____ Issue _____ Date _____</p> <p>Project No. 1801 Phase SKETCH Date 08/19/2019 Drawn by JPC Checked by JPC Scale at Sheet Size 22/64</p> | <p>Sheet Name Sheet No.</p> |
|---|---|---|---|---|---|---|---------------------------------|

Exhibit B

License

LICENSE AGREEMENT
SEAPLANE LAGOON FERRY TERMINAL

This LICENSE AGREEMENT ("**Agreement**") is entered into effective _____, 2020 ("**Effective Date**"), by and between the CITY OF ALAMEDA, a municipal corporation ("**City**"), and the SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY, a regional public transit agency ("**WETA**"). In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, City and WETA agree as follows:

1. Background.

A. Alameda Point is comprised of approximately 1,560 acres of land and 1,115 acres of water located at the western third of Alameda, bounded by the San Francisco Bay on the south and west, and the Oakland/Alameda Estuary on the north ("**Alameda Point**").

B. City and WETA have entered into that certain Seaplane Lagoon Ferry Terminal Operating Agreement of even date herewith ("**Operating Agreement**") in connection with the design, construction and operation of the Seaplane Lagoon Ferry Terminal at Alameda Point ("**Seaplane Terminal**"), and ferry service connecting Alameda Point and San Francisco.

C. City owns certain real property located at Alameda Point and identified in the Operating Agreement as the Landside Area, described more particularly in Exhibit A attached hereto (the "**Landside Area**").

D. City also owns a submerged area of land located at Alameda Point and identified in the Operating Agreement as the Waterside Area, as described more particularly in Exhibit A (the "**Waterside Area**"). Within the Waterside Area are located certain personal property that will be owned by WETA, including, a gangway connecting the pier to the passenger boarding float, a passenger boarding float for entering and exiting a ferry vessel, an access control gate to be located on the passenger walkway on the pier to provide access to the gangway, the portion of walkway on the pier on which the access gate is located, and fixed piles for the gangway (collectively, the "**Waterside Assets**").

E. The Landside Area and Waterside Area shall be collectively referred to herein as the "**License Area.**" Use of the License Area by WETA shall be as described in Section 4.

F. WETA desires to obtain a license from City to access and use the License Area for the operation of the Seaplane Terminal Ferry Service as contemplated in the Operating Agreement.

G. City desires to grant to WETA a license to use the License Area. The terms of this Agreement shall govern WETA's use of and access to the License Area.

2. Grant of License. City hereby grants to WETA a license for access and entry onto the License Area for the operation of the Seaplane Terminal, subject to all of the terms and conditions hereof and the terms and conditions set forth in the Operating Agreement.

3. Term. The Term of this Agreement shall commence on _____, 2020, and shall expire on _____, 2086. City and WETA acknowledge and agree that the license granted under this Agreement is revocable and terminable by either party pursuant to Section 12.

4. Use of the License Area. The License Area and each portion thereof may be used by WETA in the manner and to the extent described below.

(a) Waterside Area. The Waterside Area shall be utilized by WETA solely for the purpose of operating the Seaplane Terminal Ferry Service, including: the initial fit-up (i.e., hiring, training, purchasing and obtaining all personnel and equipment required to operate Seaplane Terminal) of the Waterside Assets; maintenance, repair, remediation and replacement of all Waterside Assets and the Waterside Area (as further described in the Operating Agreement); providing ferry service in accordance with the terms of the Operating Agreement; and general operation, management and oversight of the Seaplane Terminal.

(b) Landside Area. The Landside Area shall be utilized by WETA on a non-exclusive basis for access to the Waterside Area and Waterside Assets. Specifically, WETA and its employees, contractors and agents shall have (i) ingress and egress rights over and across the Landside Area, and (ii) the right to park within the parking lot(s) on the Landside Area in connection with operation of the Seaplane Terminal.

5. License/Use Fees. WETA shall pay a fee of \$1.00 per year for use of the License Area beginning on the date of this Agreement (“**License Fee**”). Payments shall be made at the address set forth for City after its signature block.

6. Compliance with Laws. The use of the License Area by WETA shall be in accordance with all applicable laws, permits, licenses and other governmental authorizations, rules, ordinances, orders, decrees and regulations now or hereafter enacted, issued or promulgated by federal, state, county, municipal and/or other governmental agencies, bodies and courts having or claiming jurisdiction over all or any part of the License Area or the Seaplane Terminal, and all insurance companies insuring all or any part of the License Area or the Seaplane Terminal. WETA agrees to comply with all rules and regulations applicable to the License Area or the Seaplane Terminal whether in force now or adopted in the future.

7. Restrictions on Use of the License Area. WETA shall not use or permit the License Area to be used in any manner which would violate any license, permit or other governmental authorization which is required for lawful access to, and use and operation of, the License Area or the Seaplane Terminal or which would interfere with the operation of the Seaplane Terminal or use of the Seaplane Terminal by riders of the ferry and/or any third parties, which third-party operator use shall be subject to the requirements of Section 8 of this Agreement and Section 6 of the Operating Agreement. If any license, permit, or other governmental authorization is required for the lawful access to, and use and operation of, the License Area and/or Seaplane Lagoon, WETA shall procure and maintain the same throughout the term of this Agreement. WETA shall not commit any waste or permit or suffer any waste to be committed on the License Area.

8. Restrictions on Third Party Use. WETA has the exclusive right to permit third party ferry/boat operators to use the Seaplane Terminal to land boats, so long as any third party

ferry/boat operators agree in writing to assume all liability and risk arising from or related to their use of the Seaplane Terminal. WETA will require any third party ferry/boat operator to indemnify and insure the City to the same extent as it requires the third party ferry/boat operator to indemnify and insure WETA. WETA agrees to notify the City in writing if it permits a third party ferry/boat operator to use the Seaplane Terminal to land boats and to provide written evidence to City that the above requirements have been met.

9. Insurance. WETA shall, at all times during the term of this Agreement, obtain and keep in force at its sole cost and expense the following insurance coverages:

A. Property and Liability Coverage.

(i) Required Types and Amounts of Insurance. Except as more specifically provided in this Section 9, WETA shall, at no cost to the City, obtain and maintain, and cause to be in effect at all times from the Effective Date to the later of (i) the last day of the Term, or (ii) the last day WETA (A) is in possession of the License Area or (B) has the right of possession of the License Area (except as otherwise specified in this section, the following types and amounts of

(1) Property Insurance. WETA, at its sole cost and expense, shall procure and maintain on all of its personal property, improvements and alterations, in, on, or about the License Area, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by WETA for the replacement of WETA's personal property.

(2) Commercial General Liability Insurance. WETA will maintain, or require to be maintained "Commercial General Liability" insurance with coverage at least as broad as Insurance Services Office form CG 00 01 10 93 (or its replacement) insuring against claims for bodily injury (including death), property damage, personal injury and advertising injury, including coverage for operations, blanket contractual liability (to the extent possible under the above-referenced policy form or under a separate policy form), broad form property damage, explosion, collapse and underground hazards, independent contractors, products and completed operations, with such insurance to afford protection in an amount not less than Five Million Dollars (\$5,000,000) per occurrence and annual aggregate, and Ten Million Dollars (\$10,000,000) products and completed operations aggregate, and deleting any exclusions for care, custody and control of real property. All such insurance may be provided under a combination of primary and umbrella excess policies and may be provided under policies with a "claims made" trigger.

(3) Workers' Compensation Insurance. Worker's compensation insurance as required by law, U.S. Longshore and Harborworker's Act Insurance and Jones Act insurance with employer's liability limit not less than One Million Dollars (\$1,000,000) for each accident, on employees eligible for each. WETA's insurance must be from a carrier with an A M Best rating of A-7 or better; must be statutory in nature; must include USL&H on an "if any basis", with E L coverage of \$1,000,000.00. In the event Licensee is self-insured, it shall furnish Certificate of Permission to Self-Insure signed by Department of Industrial Relations, Administration of Self Insurance, Sacramento, California.

(4) Business Automobile Insurance. WETA will maintain, or require to be maintained, policies of business automobile liability insurance covering all owned, non-owned or hired motor vehicles (including electric carts) to be used by WETA and its agents in connection with WETA's use and occupancy of the License Area, affording protection for bodily injury (including death) and property damage in the form of Combined Single Limit Bodily Injury and Property Damage policy with limits of not less than Five Million Dollars (\$5,000,000) per accident and annual aggregate.

(5) Protection and Indemnity Liability. WETA will maintain, or require to be maintained, Protection and Indemnity Liability Insurance acceptable to City, with limits not less than Five Million Dollars (\$5,000,000) per each occurrence, including coverages for owned and non-owned watercraft.

(6) Vessel Pollution Liability. WETA will maintain, or require to be maintained, Vessel Pollution Liability Insurance with combined single limit of Five Million Dollars (\$5,000,000.00) each claim, Five Million Dollars (\$5,000,000.00) aggregate, and with coverage to include legal liability arising from the sudden and accidental release of pollutants, and no less than a one-year extended reporting period.

(7) Hull and Machinery Protection. WETA will maintain, or require to be maintained, Hull and Machinery Protection in a form and with limit of market value of the vessel.

(8) Bumbershoot; Umbrella; Excess Insurance with policy limits of no less than Five Million Dollars (\$5,000,000).

(ii) General Requirements.

(1) As to all insurance required hereunder, such insurance will be carried under a valid and enforceable policy or policies issued by insurers of recognized responsibility that are rated Best A—:VIII or better by the latest edition of Best's Key Rating Guide (or a comparable successor rating) and legally authorized to sell such insurance within the State;

(2) As to property insurance required hereunder, such insurance will name WETA as the first named insured, and will name the City as an insured as its interest may appear. As to commercial general liability, automobile liability, protection and indemnity liability, vessel pollution liability, and umbrella or excess liability insurance, such insurance will name as additional insureds by written endorsement: **"CITY OF ALAMEDA ITS COUNCIL MEMBERS, BOARD AND COMMISSION MEMBERS, COMMITTEE MEMBERS, OFFICERS, AGENTS, VOLUNTEERS AND EMPLOYEES."**

(3) As to all insurance required hereunder, such insurance will provide that no cancellation, material modification or termination of such insurance will be effective until at least thirty (30) days after mailing or otherwise sending written notice of such cancellation, modification or termination to City;

(4) As to commercial general liability, automobile liability insurance, protection and indemnity liability, and vessel pollution liability, such insurance will provide that it constitutes primary insurance with respect to claims insured by such policy, and, except with respect to limits, that insurance applies separately to each insured against whom claim is made or suit is brought. Such insurance is not additional to or contributing with any other insurance carried by or for the benefit of the City.

(5) As to commercial general liability, automobile, worker's compensation, protection and indemnity liability, vessel pollution, and property insurance required hereunder, such insurance will provide for waivers of any right of subrogation that the insurer of such party may acquire against each Party hereto with respect to any losses of the type covered under the policies required;

(6) All insurance will be subject to the approval of City, which approval will be limited to whether or not such insurance meets the terms of this Agreement;

(7) If any of the policies of liability required hereunder is provided under a claims-made form of policy, WETA will maintain such coverage continuously throughout the Term, and following the expiration or earlier termination of the Term, WETA will maintain, or require to be maintained, such coverage without lapse for a period of five (5) years beyond the expiration or earlier termination of this Agreement, or, in the case of construction, for five (5) years after issuance of a Certificate of Occupancy for the applicable Improvements; and

(iii) Certificates of Insurance; Right of City to Maintain Insurance. WETA will furnish City certificates with respect to the policies required and additional insured endorsements in form satisfactory to City, (i) on or prior to the Effective Date (to the extent such policy is required to be carried as of the Effective Date), (ii) for such policies required to be carried after the Effective Date, on or prior to the date such policies are required, and (iii) with respect to renewal policies, within thirty (30) days after the policy renewal date of each such policy. Within thirty (30) days after City's request, WETA also will provide City with copies of each such policy, or will otherwise make such policy available to City for its review. If at any time WETA fails to maintain the insurance required, or fails to deliver certificates and/or endorsements as required pursuant to this section then, upon ten (10) days' written notice to WETA, City may obtain and cause to be maintained in effect such insurance by taking out policies with companies satisfactory to City. Within ten (10) days following demand, WETA will reimburse City for all amounts so paid by City, together with all costs and expenses in connection therewith and interest thereon at the Default Rate.

(iv) Insurance by Others. To the extent WETA requires liability insurance policies to be maintained by contractors, subcontractors or others in connection with their use or occupancy of, or their activities in, on, under, or about the License Area, WETA will require that such policies be endorsed to include the **CITY OF ALAMEDA ITS COUNCIL MEMBERS, BOARD AND COMMISSION MEMBERS, COMMITTEE MEMBERS, OFFICERS, AGENTS, VOLUNTEERS AND EMPLOYEES** as additional insureds. Notwithstanding the foregoing, WETA will require all agents, contractors and sub-contractors performing work in, on, under, or about the License Area to carry the following coverages: (i) commercial general liability with limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million

Dollars (\$2,000,000) annual general aggregate, (ii) workers' compensation in amounts required by law, (iii) employer's liability coverage in an amount not less than One Million Dollars (\$1,000,000) per accident, per employee and policy limit for injury by disease, covering all employees employed at the License Area, (iv) automobile insurance in an amount not less than \$1,000,000 combined single limit covering use of owned, non-owned or hired vehicles utilized in the performance of work in, on, under, or about the License Area, and (v) contractors' pollution legal liability (if project involves environmental hazards) with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 annual general aggregate.

10. Hazardous/Toxic Materials. WETA shall use the License Area in compliance with all federal, state or local environmental, health and/or safety-related laws, regulations, standards, permits currently existing or as amended or adopted in the future from time to time which are or become applicable to WETA or the License Area, including, without limitation, all environmental laws, and the speed restrictions set forth in Mitigation Measure 4.E-4a (Marine Craft Access Corridor) of the Seaplane Lagoon Ferry Terminal Addendum Mitigation Monitoring and Reporting Program, attached to and incorporated into the Operating Agreement ("**Environmental Laws**"). WETA shall not cause or permit or allow any of its agents, contractors, employees, or Third Party Operators to cause or permit, any hazardous or toxic materials to be stored, generated, treated or disposed of on or about the License Area. As used herein, hazardous and toxic materials means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its detrimental properties or effects.

11. Indemnification. The Parties' indemnity obligations to each other are as set forth in Section 12 of the Operating Agreement.

12. Termination. City may terminate this Agreement upon failure by WETA to perform any material obligation hereunder or to otherwise comply with the terms and conditions imposed herein, or to timely perform any material obligation under the Operating Agreement (each, a "**Default**"). Upon a Default by WETA, City shall provide written notice to WETA demanding that the Default be cured within ninety (90) days of receipt of the default notice. If WETA fails to timely cure its Default, or provide a reasonably acceptable plan, as determined by City in its sole and absolute discretion, City may immediately terminate this Agreement and the Operating Agreement and may also exercise all other rights and remedies available at law and equity. This Agreement shall automatically terminate if WETA terminates the Operating Agreement pursuant to Section 15 therein.

13. Notices. All notices required hereunder shall be given in the same manner described in Section 19 of the Operating Agreement.

14. Dispute Resolution. Disputes under this Agreement shall be resolved pursuant to the dispute resolution process set out in Section 20 of the Operating Agreement.

15. Authority to Enter Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to enter into this Agreement so as to bind each respective party to perform the conditions contemplated herein.

16. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

17. Time is of the Essence. Time is of the essence in this Agreement, and all parties agree to execute all documents and to proceed with due diligence to complete all covenants and conditions set forth herein.

18. Attorneys' Fees and Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

19. Governing Law and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any lawsuit brought to enforce this Agreement shall be brought in the appropriate court in Alameda County, State of California.

20. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be deemed a waiver and no waiver shall be binding unless executed in writing by the party making the waiver.

21. Entire Agreement. This Agreement, as supplemented by the Operating Agreement, contains the entire agreement of the City and WETA relative to the subject matter herein and supersedes any prior or written statements or agreements between City and WETA. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both parties.

22. Assignments and Subletting. WETA shall not transfer, assign or sublet, voluntarily, involuntarily, directly or indirectly (collectively, "**Transfer**"), WETA's interest under this Agreement. This Agreement is personal to WETA and shall not be Transferred by WETA without prior written consent by City, and any attempt to Transfer this Agreement by WETA without City's consent shall be void. City may Transfer this Agreement to a successor owner. Notwithstanding the foregoing, each and every term and condition of this Agreement shall be binding on and shall inure to the benefit of the successors and assigns of both parties.

23. Invalidity. The illegality of any provision of this Agreement shall not affect the remainder of this Agreement.

24. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

25. Captions. The captions of the various articles and paragraphs of this Agreement are for the convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement or of any part or parts of this Agreement.

26. Construction. In all cases, the language in all parts of this Agreement shall be construed simply, according to its fair meaning and not strictly for or against any party, it being agreed that the parties or their agents have all participated in the preparation of this Agreement.

27. Cooperation/Further Acts. The parties shall fully cooperate with one another in attaining the purposes of this Agreement and, in connection therewith, shall take any such additional further acts and steps and sign any such additional documents as may be necessary, appropriate and convenient as related thereto.

28. Exhibits. The Exhibits of this Agreement are incorporated by reference as though fully set forth herein.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first hereinabove set forth.

**WATER EMERGENCY
TRANSPORTATION AUTHORITY**

CITY OF ALAMEDA

By: _____
Nina Rannells, Executive Director

By: _____
Eric J. Levitt, City Manager

Date: _____

Date: _____

Approved as to form:

Recommended for approval:

Attorney for WETA

By: _____
Debbie Potter, Community Development
Director

Approved as to form:
City Attorney:

By _____
Lisa Nelson Maxwell, Assistant City Attorney

Address for Notices:

Attention: Nina Rannells
San Francisco Bay Area Water Emergency
Transportation Authority
Pier 9, Suite 111
San Francisco, CA 94111
Email: rannells@watertransit.org

Address for Notices:

Attention: Debbie Potter
City of Alameda
950 West Mall Square
Alameda, CA 94501
Email: dpotter@alamedaca.gov

Additional copy to:

Attention: City Attorney
City of Alameda
2263 Santa Clara Avenue, Room 280
Alameda, CA 94501
Email: yshen@alamedacityattorney.org
and lmaxwell@alamedacityattorney.org

Exhibit A
Legal Description of Waterside Area



Image © 2016 Google Earth



1

NOT TO SCALE

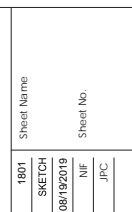
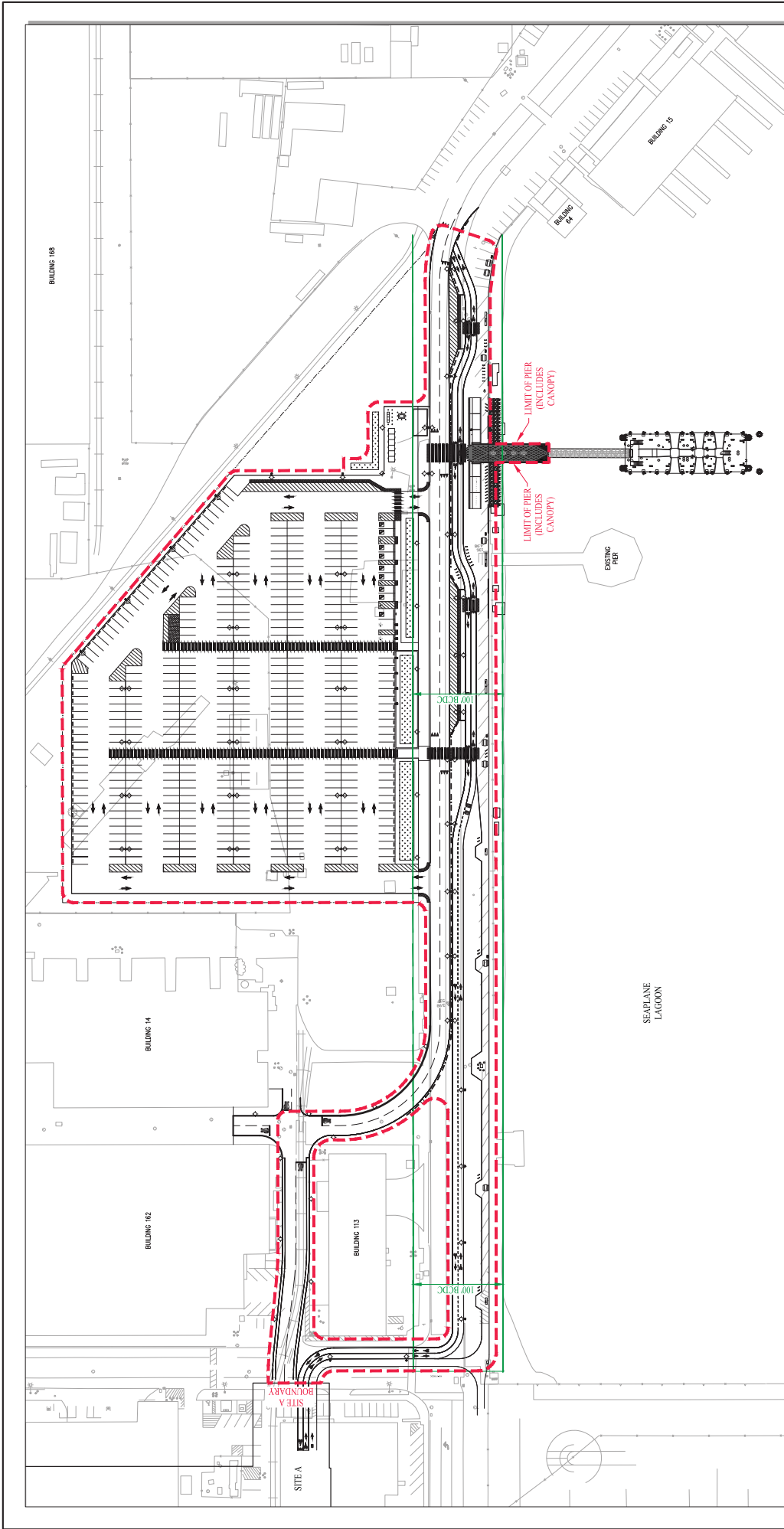

|  <p>CITY OF ALAMEDA SHERIDAN SQUARE 1400 CALIFORNIA AVENUE, SUITE 100 ALAMEDA, CA 94501 415.762.3100 www.cityofalameda.org</p> | <p>Client CITY OF ALAMEDA Michelle Gibbs</p> <p>Developer ALAMEDA POINT PARTNERS Supplemental</p> | <p>Architects MARCUS WONG DONN LOGAN 1015 ALABAMA STREET, SUITE 100 ALAMEDA, CA 94501 415.762.3100 www.marcuswong.com</p> <p>Marine/Structural Engineer COWI NORTH AMERICA, INC 1015 ALABAMA STREET, SUITE 100 ALAMEDA, CA 94501 415.762.3100 www.cowi.com</p> | <p>Civil Engineer BKF 1415 14TH STREET, SUITE 100 ALAMEDA, CA 94501 415.762.3100 www.bkf.com</p> <p>Electrical Engineer THE ENGINEERING ENTERPRISE 1415 14TH STREET, SUITE 100 ALAMEDA, CA 94501 415.762.3100 www.theengineeringenterprise.com</p> | <p>Landscape Architect GROUNDWORKS OFFICE 1015 ALABAMA STREET, SUITE 100 ALAMEDA, CA 94501 415.762.3100 www.groundworks.com</p> <p>Lighting Design HOBON LEE'S BROGREN 1015 ALABAMA STREET, SUITE 100 ALAMEDA, CA 94501 415.762.3100 www.hobonlees.com</p> | <p>Stamp</p> <p>08/07/2019</p> | <p>Project SEAPLANE LAGOON FERRY TERMINAL 0 Ferry Point Road, Alameda CA 94501</p> | <p>Revisions</p> <table border="1"> <tr> <th>Issue</th> <th>Date</th> </tr> <tr> <td> </td> <td> </td> </tr> </table> | Issue | Date | | | <p>Project No. 1801 Phase SKETCH Date 08/19/2019 Drawn by JPC Checked by JPC Scale at Sheet Size 22/64</p> | <p>Sheet Name Sheet No.</p> |
|---|---|--|--|--|---------------------------------------|---|--|-------|------|--|--|--|--|
| Issue | Date | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

Exhibit B
Legal Description of Landside Area



LEGEND
 - - - - - DEMARICATION OF LANDSIDE EASEMENT

CITY OF ALAMEDA ALAMEDA COUNTY CALIFORNIA


 SCALE: 1" = 50'
 DATE: AUGUST 15, 2019

 CIVIL ENGINEERS SURVEYORS PLANNERS
 SAN RAMON (925) 866-0322
 SACRAMENTO (916) 375-1877
 WWW.CBGENGINEERS.COM
 ©2019 CAG/CENTRAL TERRITORY/CAG/ENGINEERS

Exhibit C
Transfer Agreement Amendment Period Milestone Schedule (Tentative)

| Tasks | Due Date |
|---|-----------------------|
| Renegotiation Period: The parties will: | Projected Date |
| Kickoff Meeting and development of detailed schedule to complete amendment of Transfer Agreement. | February 2020 |
| Update both WETA Executive Director and City Manager on draft terms of amendment to the Transfer Agreement. | May 2020 |
| Governing boards approve amendment to Transfer Agreement, which includes a schedule for transfer of landside improvements and other operational issues. | September 2020 |

Exhibit D
Bill of Sale

BILL OF SALE FOR SEAPLANE LAGOON FERRY TERMINAL
WATERSIDE ASSETS AT ALAMEDA POINT

This Bill of Sale ("**Bill of Sale**") is made this ____ day of _____, 20__, by Alameda Point Partners, LLC, a Delaware limited liability company ("**APP**"), to and for the benefit of the Water Emergency Transportation Authority ("**WETA**").

RECITALS

WHEREAS, the City of Alameda ("**City**"), in its capacity as the owner of Site A at Alameda Point, and APP, in its capacity as the developer of Site A at Alameda Point, entered into that certain Disposition and Development Agreement, dated August 6, 2015 ("**DDA**"), pursuant to which, among other things, APP, agreed to fund the \$10,000,000 Ferry Terminal Payment.

WHEREAS, City and APP have entered into that certain (a) Funding, Construction and Dedication Agreement, dated July 25, 2019 (the "**Ferry Terminal FCD Agreement**"), and (b) the Public Improvement Agreement, dated July 25, 2019 (the "**Ferry Terminal PIA**") regarding, among other things, the parties' rights and obligations with respect to the funding, construction and dedication of the Seaplane Lagoon Ferry Terminal ("**Seaplane Terminal**").

WHEREAS, the Ferry Terminal FCD Agreement requires APP to transfer the Waterside Assets (defined below) and assign the Waterside Asset Warranties and Guaranties (defined below) to WETA upon the completion of the Seaplane Terminal pursuant to the Ferry Terminal FCD Agreement and the Ferry Terminal PIA.

WHEREAS, in furtherance of the construction and operation of Seaplane Terminal, City and WETA entered into that certain Construction Funding Agreement dated June 11, 2019 and that certain Seaplane Lagoon Ferry Terminal Operating Agreement dated ____, 2020. In addition, City and WETA entered into a License Agreement dated ____, 2020, for purposes of licensing the submerged land under Seaplane Terminal and the areas providing access to and from Seaplane Terminal over other submerged land and certain access rights to and from the landside improvements and over the parking area. The Construction Funding Agreement, the Seaplane Lagoon Ferry Terminal Operating Agreement and the License Agreement are collectively referred to herein as the "**City/WETA Documents**".

WHEREAS, pursuant to the CITY/WETA Documents, following completion of construction of Seaplane Terminal, City is to own and operate the landside Seaplane Terminal assets and WETA is to own and operate the Waterside Assets.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, APP and WETA agree as follows:

1. Transfer and Acceptance. Effective on the date that that the parties confirm the satisfaction of the APP Conditions Precedent (defined below) and the WETA Conditions Precedent in writing, APP does hereby give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to WETA each of the following:

a. All of APP's right, title and interest in and to the improvements described in Attachment A, attached hereto and incorporated herein (the "**Waterside Assets**"); and

b. To the extent related to the Waterside Assets, all of the contractor/supplier warranties and guaranties related to the Waterside Assets, including those set forth in Attachment B, attached hereto and incorporated herein (the "**Waterside Asset Warranties and Guaranties**").

The parties hereby agree that the transfer of the Waterside Asset Warranties and Guaranties is a non-exclusive transfer such that each party shall have the right to enforce the Waterside Asset Warranties and Guaranties.

Effective on the date that the parties confirm the satisfaction of the APP Conditions Precedent (defined below) and the WETA Conditions Precedent in writing, WETA hereby accepts the foregoing transfer of the Waterside Assets and the Waterside Asset Warranties and Guaranties.

2. APP Conditions Precedent. APP's transfer of the Waterside Assets and Waterside Asset Warranties and Guaranties to WETA is expressly conditioned on the satisfaction of the following conditions precedent (the "**APP Conditions Precedent**"):

a. City and APP shall have received sufficient third party funds to complete the design and construction of the Seaplane Terminal as required by the Ferry Terminal FCD Agreement and City shall have fully performed its obligations under the Ferry Terminal FCD Agreement; and

b. APP and WETA shall have completed the walk-through inspection of the Waterside Assets and WETA shall have agreed in writing that APP has completed any punchlist items identified in such walk-through.

3. WETA Conditions Precedent. WETA's acceptance of the Waterside Assets and the Waterside Asset Warranties and Guaranties is expressly conditioned on the satisfaction of the following conditions precedent (the "**WETA Conditions Precedent**"):

a. APP and WETA shall have completed the walk-through inspection of the Waterside Assets and WETA shall have agreed in writing that APP has completed any punchlist items identified in such walk-through; and

b. APP shall have provided WETA with an “as-built” copy of the construction drawings for the Waterside Assets.

4. APP’s Representation; Waiver of Implied Warranties.

a. APP hereby represents that the Waterside Assets are free and clear of all encumbrances.

b. WETA hereby acknowledges and agrees that no other representations or warranties (express or implied) are made by APP, and any implied warranties of merchantability or fitness for a particular purpose are hereby disclaimed.

5. Further Assurances. If requested by WETA, or WETA's successors and assigns, APP agrees to do, execute, acknowledge, and deliver, or cause to be done, executed, and delivered to WETA, or WETA's successors or assigns, further reasonable acts, transfers, assignments, deeds, powers and assurances of title, and additional papers and instruments reasonably necessary to effectively carry out the intent of this Bill of Sale.

6. Effective Date. This Bill of Sale shall be effective on the date first above written.

7. Amendments. Except as otherwise provided herein, this Bill of Sale may be amended or modified only by a written instrument executed by City and WETA.

8. Governing Law. This Bill of Sale will be governed by and construed in accordance with the laws of the State of California.

9. Counterparts. This Bill of Sale may be executed in any number of counterparts, each of which will be deemed an original, and all of which counterparts together will constitute one agreement.

10. Time of the Essence. Time is of the essence of this Bill of Sale.

11. Construction. This Bill of Sale has been negotiated by the parties who have had the opportunity to consult their respective counsel. This Bill of Sale shall not be construed more strictly against one party hereto than against any other party hereto merely by virtue of the fact that it may have been prepared by counsel for one of the parties. The term “including” or “includes” or any other similar term or phrase of inclusion shall be deemed to be followed in each instance by the words “but not limited to,” so as to designate an example or examples of the described class and not to designate all members of that class (it being the intention of the parties that each hereby waives the benefits of Section 3534 of the California Civil Code).

12. Entire Agreement. This Bill of Sale, as supplemented by the documents referenced herein, constitutes the entire agreement between the parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings, and representations, oral or written, are superseded.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by its duly authorized representative on the date first above written.

**WATER EMERGENCY
TRANSPORTATION AUTHORITY**

By: _____
Nina Rannells, Executive Director

Approved as to form:

Attorney for WETA

[Signatures continued on next page]

ALAMEDA POINT PARTNERS, LLC,
a Delaware limited liability company

By: Alameda Point Investments, LLC,
a California limited liability company,
its managing member

By: NCCH 100 Alameda, L.P.,
a Delaware limited partnership,
its managing member

By: Maple Multi-Family Development, L.L.C.,
a Texas limited liability company,
its General Partner

By: _____

Name: _____

Title: _____

Exhibit E
Seaplane Lagoon Ferry Terminal Addendum Mitigation Monitoring and Reporting
Program

Attachment A

Project-Specific Mitigation Monitoring and Reporting Program for Seaplane Lagoon Ferry Terminal

The following table is a Mitigation Monitoring and Reporting Program (MMRP) for the Seaplane Lagoon Ferry Terminal, which was excerpted from the adopted MMRP for the Alameda Point Project (APP) and was prepared to assist in implementing the project. The Alameda Point MMRP was adopted at the time the City certified the *Alameda Point Project Environmental Impact Report*¹ (APP EIR) on February 4, 2014 in accordance with the California Environmental Quality Act (CEQA); therefore, all of the mitigation measures listed in Project-Specific MMRP have been previously adopted by the City and are part of the project. The City has prepared an Addendum to evaluate the potential adverse environmental effects that could result from the proposed project, and has determined that all of the project's adverse impacts were previously analyzed in the Alameda Point EIR. The City has determined that the project would not result in any new or substantially more severe significant impacts that were not already addressed in that EIR. However, as documented in the Addendum, several of the mitigation measures adopted as conditions of approval for the APP would apply to the proposed Seaplane Lagoon Ferry Terminal.

The Seaplane Lagoon Ferry Terminal MMRP contains all of the previously adopted APP mitigation measures that are applicable to the proposed project, and serves as a stand-alone MMRP for the Seaplane Lagoon Ferry Terminal. Implementation of the mitigation measures in this MMRP, which are also listed in the preceding Addendum, will be required to avoid or substantially reduce the severity of the applicable impacts identified in the APP EIR.

The Seaplane Lagoon Ferry Terminal MMRP identifies the monitoring and reporting requirements for each mitigation measure; the timing of mitigation implementation; and the agency or agencies with responsibility for monitoring and verifying the implementation of the mitigation measure. All entities involved in development and operation of the Seaplane Lagoon Ferry Terminal will need to implement all required mitigation measures during project construction or project implementation, as applicable. Confirmation of mitigation implementation will be determined in accordance with the Seaplane Lagoon Ferry Terminal MMRP.

¹ City of Alameda, *Alameda Point Project Environmental Impact Report*, SCH No. 2013012043, certified February 4, 2014.

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MITIGATION MEASURES APPLICABLE TO PROPOSED SEAPLANE LAGOON FERRY TERMINAL

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| <p>C. Transportation and Circulation</p> <p>Mitigation Measure 4.C-1 (Construction Management Plan): The City shall require that project applicant(s) and construction contractor(s) develop a Construction Management Plan for review and approval by the Public Works Department prior to issuance of any permits. The Plan shall include at least the following items and requirements to reduce traffic congestion during construction:</p> <ol style="list-style-type: none"> 1. A set of comprehensive traffic control measures shall be developed, including scheduling of major truck trips and deliveries to avoid peak traffic hours, detour signs if required, lane closure procedures, signs, cones for drivers, and designated construction access routes. 2. The Construction Management Plan shall identify haul routes for movement of construction vehicles that would minimize impacts on motor vehicle, bicycle, and pedestrian traffic, circulation, and safety, and specifically to minimize impacts, to the greatest extent possible, to streets in and around the Alameda Point project site. The haul routes shall be approved by the City. 3. The Construction Management Plan shall provide for notification procedures for adjacent property owners and public safety personnel regarding when major deliveries, detours, and lane closures would occur. 4. The Construction Management Plan shall provide for monitoring surface streets used for haul routes so that any damage and debris attributable to truck hauling can be identified and corrected by the project applicant. <p>Mitigation Measure 4.C-2a (TDM Program): Prior to issuance of building permits for each development project at Alameda Point, the City of Alameda shall prepare, and shall require that the sponsor of the development project participate in implementation of, a Transportation Demand Management (TDM) program/plan for Alameda Point aimed at meeting the General Plan peak-hour trip reduction goals of 10 percent for residential development and 30 percent for commercial development.</p> | <p>Project applicant and its contractor(s) obtain approval of Construction Management Plan and implement the plan during construction.</p> | <p>City of Alameda Public Works Department</p> | <p>Public Works Department must review and approve Construction Management Plan</p> | <p>Prior to issuance of building or grading permit(s); inspect during construction</p> | |
| <p>Mitigation Measure 4.C-2b (Monitoring): Prior to issuance of the first building permits for any development project at Alameda Point, the City of Alameda shall adopt a Transportation Network Monitoring and Improvement Program to:</p> <ol style="list-style-type: none"> 1) determine the cost of the transportation network improvements identified in this EIR; 2) identify appropriate means and formulas to collect fair share financial contributions from Alameda Point development; 3) monitor conditions at the locations that will be impacted by the redevelopment of Alameda Point; 4) monitor traffic generated by Alameda Point; and 5) establish the appropriate time to implement any necessary secondary physical improvements required in this EIR to minimize or eliminate significant transportation impacts prior to the impacts occurring at affected locations where a secondary impact mitigation is recommended. <p>Mitigation Measure 4.C-2c (Otis/Fernside): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when and if required to avoid the impact or reduce its severity, shall implement the following improvement:</p> <ul style="list-style-type: none"> Remove the right turn island for the westbound approach on Otis Drive, add a dedicated right turn lane with approximately 50 feet of storage length, and move the westbound stop-bar upstream approximately 20 feet to accommodate the right turn lane storage length. Restripe Fernside Boulevard with two receiving lanes. | <p>Project applicant shall implement Transportation Demand Management (TDM) program/plan prepared by the City of Alameda.</p> <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2c, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvements at the appropriate time.</p> <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2c, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvements at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development shall require implementation of TDM program. Monitoring, and improvements at appropriate time.</p> <p>City of Alameda Community Development shall monitor to ensure implementation of TDM Program, Monitoring, and improvements at appropriate time.</p> | <p>Prior to issuance of building permit(s)</p> <p>Prior to issuance of building permit(s) for collection of total cost and prior to impact occurring for implementation of the improvements, if necessary</p> | <p>Although it is the City of Alameda's responsibility to implement this measure, all Alameda Point project applicants will be required to participate in the Transportation Demand Management (TDM) program developed by the City.</p> <p>It is the City of Alameda's responsibility to implement this measure prior to issuance of a building permit for the first development project at Alameda Point. All Alameda Point project applicants will subsequently be required to pay the fair-share financial contribution identified during the implementation of Mitigation Measure 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-2c (Otis/Fernside): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when and if required to avoid the impact or reduce its severity, shall implement the following improvement:</p> <ul style="list-style-type: none"> Remove the right turn island for the westbound approach on Otis Drive, add a dedicated right turn lane with approximately 50 feet of storage length, and move the westbound stop-bar upstream approximately 20 feet to accommodate the right turn lane storage length. Restripe Fernside Boulevard with two receiving lanes. | <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2c, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvements at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development shall monitor to ensure implementation of TDM Program, Monitoring, and improvements at appropriate time.</p> | <p>Prior to issuance of building permit(s) for collection of total cost and prior to impact occurring for implementation of the improvements, if necessary</p> | <p>Applies to intersection of Fernside Boulevard/ Otis Drive</p> <p>Although it is the City of Alameda's responsibility to implement this measure, all Alameda Point project applicants may be required to pay a fair-share financial contribution for this improvement, which will be</p> |

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| <ul style="list-style-type: none"> Optimize signal timing. | improvements at the appropriate time. | | | | determined during the City's implementation of Mitigation Measure 4.C-2b. |
| <p>Mitigation Measure 4.C-2d (Jackson/Sixth): The City of Alameda shall implement Mitigation Measures 4.C-2a (TDM Program).</p> | Project applicant shall implement TDM program | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program | Prior to issuance of building permit(s) | Applies to intersection of Jackson/Sixth Streets See Mitigation Measure 4.C-2a. |
| <p>Mitigation Measure 4.C-2e (Brush/11th): The City of Alameda shall implement Mitigation Measures 4.C-2a (TDM Program).</p> | Project applicant shall implement TDM program | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program. | Prior to issuance of building permit(s) | Applies to intersection of Brush/11th Streets See Mitigation Measure 4.C-2a. |
| <p>Mitigation Measure 4.C-2f (23rd/Seventh): The City of Alameda shall implement Mitigation Measures 4.C-2a (TDM Program) and 4.C-2b (Monitoring).</p> | Project applicant shall implement TDM program | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program. | Prior to issuance of building permit(s) | Applies to intersection of 23rd Street and Seventh Street See Mitigation Measures 4.C-2a and 4.C-2b. |
| <p>Mitigation Measure 4.C-2g (Main/Pacific Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall implement the following physical improvements:</p> <ul style="list-style-type: none"> change the signal timing to a two-phase timing plan (i.e., northbound and southbound move concurrently; then eastbound and westbound move concurrently); and optimize cycle length. | City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2g, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvements at the appropriate time. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvements at appropriate time. | Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvements, if necessary | Applies to intersection of Main Street and Pacific Avenue See Mitigation Measures 4.C-2a and 4.C-2b. |
| <p>Mitigation Measure 4.C-2h (Webster/Alpezzato Parkway Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall optimize the signal timing during the p.m. peak hour.</p> | City of Alameda shall require Project applicant to fund a fair-share of the total cost of signal optimization, as stated in Mitigation Measure 4.C-2h, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvement at the appropriate time. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvement at appropriate time. | Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvement, if necessary | Applies to intersection of Webster Street and Alpezzato Parkway See Mitigation Measures 4.C-2a and 4.C-2b. |
| <p>Mitigation Measure 4.C-2i (Park/Otis Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall optimize the signal timing during the a.m. and p.m. and peak hours.</p> | City of Alameda shall require Project applicant to fund a fair-share of the total cost of signal optimization, as stated in Mitigation Measure 4.C-2i, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvement at the appropriate time. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvement at appropriate time. | Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvement, if necessary | Applies to intersection of Park Street and Otis Drive See Mitigation Measures 4.C-2a and 4.C-2b. |

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| <p>Mitigation Measure 4.C-2j (Broadway/Tilden Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall optimize the signal timing during the a.m. and p.m. peak hours.</p> | <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of signal optimization, as stated in Mitigation Measure 4.C-2j, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvement at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvement at appropriate time.</p> | <p>Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvement, if necessary</p> | <p>Applies to intersection of Broadway and Tilden Way See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-2k (High/Fernside Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall optimize the signal timing during the p.m. peak hour.</p> | <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of signal optimization, as stated in Mitigation Measure 4.C-2k, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvement at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvement at appropriate time.</p> | <p>Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvement, if necessary</p> | <p>Applies to intersection of High Street and Fernside Boulevard See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-2l (Atlantic/Constitution Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall implement the following physical improvements:</p> <ul style="list-style-type: none"> • modify the phasing sequence, and • optimize the signal timing. | <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2l, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvements at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvements at appropriate time</p> | <p>Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvements, if necessary</p> | <p>Applies to intersection of Atlantic Avenue and Constitution Way See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-2m (Stargell Avenue Bike): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall construct a Class I or Class II bicycle facility between Main Street and Webster Street.</p> | <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2m, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvement at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvement at appropriate time</p> | <p>Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvements, if necessary</p> | <p>Applies to Stargell Avenue See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-2n (Main Street Bike): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall implement the following physical improvements:</p> <ul style="list-style-type: none"> • construct a Class II bicycle lane or improve the existing Class I bicycle path on the west side of the street between Appezatto Parkway and Pacific Avenue to current City standards; • provide connectivity to existing Class I bicycle path on the east and | <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2n, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvement at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvements at appropriate time</p> | <p>Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvements, if necessary</p> | <p>Applies to Main Street See Mitigation Measures 4.C-2a and 4.C-2b.</p> |

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| <p>west sides of the street north of Appezato Parkway. Appropriate intersection treatments for connectivity may include striping, signage, and/or bicycle boxes at the intersection of Main Street and Appezato Parkway; and</p> <ul style="list-style-type: none"> • if Mitigation Measure 4.C-4c (described below) is implemented, provide connectivity to that bicycle facilities on west side of the street north of the Main Street-Pacific Street intersection. | <p>improvements at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and improvements at appropriate time</p> | <p>Prior to issuance of building permit(s) for collection of funds for fair-share of total cost and prior to impact occurring for implementation of the improvements, if necessary</p> | <p>Applies to Central Avenue See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-2a (Central Avenue Bike): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, shall use its best efforts to implement the following physical improvements:</p> <ul style="list-style-type: none"> • construct a Class II bicycle lane or improve the existing Class I bicycle path on the west (south) side of the street between the Main Street-Pacific Street intersection and Lincoln Avenue to current City standards; • extend a Class I bicycle path to Third Street; and • restripe and sign the street segment between Third Street and Fourth Street to provide Class II bicycle lanes between Lincoln Avenue and Fourth Street. | <p>City of Alameda shall require Project applicant to fund a fair-share of the total cost of the improvements, as stated in Mitigation Measure 4.C-2a, and, if determined necessary after implementation of Mitigation Measures 4.C-2a and 4.C-2b, the City shall be responsible for ensuring implementation of the improvements at the appropriate time.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. The northbound left-turn pocket along Park Street will be completed by ACTC as part of the I-880/23rd/29th Street project.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Park/Clement See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5a (Park/Clement): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following physical improvements:</p> <ul style="list-style-type: none"> • Add northbound left turn pocket along Park Street; • Optimize the signal offsets and splits; and • Complete the Clement Avenue extension, which would reduce the demand for left turn movements onto Park Street from eastbound traffic on Clement Avenue. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5a) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Park/Clement See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5b (Park/Encinal): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvement:</p> <ul style="list-style-type: none"> • Optimize offsets and splits. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5b) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Park/Clement See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5c (Broadway/Otis): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement, the following improvement:</p> <ul style="list-style-type: none"> • Optimize the signal timing during both peak hours. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5c) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Broadway/Otis See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5d (Tilden/Blanding/Fernside): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvement:</p> <ul style="list-style-type: none"> • Optimize the offsets and splits. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5d) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Tilden/Blanding/Fernside See Mitigation Measures 4.C-2a and 4.C-2b.</p> |

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| <p>Mitigation Measure 4.C-5e (High/Fernside): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvements:</p> <ul style="list-style-type: none"> Adjust the signal cycle phasing during the a.m. and p.m. peak hours such that the southbound left turn from High Street is a permitted rather than protected movement; and Optimize signal timing. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5e) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of High/Fernside See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5f (High/Otis): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvements:</p> <ul style="list-style-type: none"> Optimize the signal timing at High and Otis for both peak hours, and Install traffic calming strategies on Bayview Drive to include improvements, such as: restriping Bayview Drive to create narrower driving lanes to reduce speeding, installing a cross walk and caution sign at the location of the public coastal access easement, and/or construction of sidewalk bulb-outs to improve pedestrian safety at the intersections of Bayview/Court Street and Bayview/Broadway. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5f) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of High/Otis See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5g (Island Drive/Otis Drive and Doolittle Drive): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvement:</p> <ul style="list-style-type: none"> Optimize signal timing during both peak hours. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5g) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Island Drive/Otis Drive and Doolittle Drive See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5h (Fernside Boulevard and Otis Drive): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to add a westbound right-turn overlap phase from Fernside Boulevard.</p> | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a, 4.C-2b, and 4.C-2c, and fund a fair share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5h) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Fernside Boulevard/Otis Drive See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5i (Park/Blanding): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvements:</p> <ul style="list-style-type: none"> Change east-west signal phasing to protected phasing; and Optimize signal timing during both peak hours. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5i) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Park/Blanding See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5j (Challenger/Atlantic): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvements:</p> <ul style="list-style-type: none"> Change east-west signal phasing to protected phasing; and Optimize signal timing during both peak hours. | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5j) attributable to the project.</p> | <p>City of Alameda Community Development Department</p> | <p>City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds.</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to intersection of Challenger/Atlantic See Mitigation Measures 4.C-2a and 4.C-2b.</p> |

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| | attributable to the project. | | | | |
| Mitigation Measure 4.C-5k (Park/Lincoln): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, the City shall fund a fairshare to optimize signal timing during the p.m. peak hour. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5k) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds | Prior to issuance of building permit(s) | Applies to intersection of Park/Lincoln See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5l (Jackson/Sixth): The City of Alameda shall implement TDM (Mitigation Measure 4.C-2a). | Project applicant shall implement TDM program. | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program | Prior to issuance of building permit(s) | Applies to intersection of Jackson/Sixth See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5m (Webster/Eighth): The City of Alameda shall implement TDM (Mitigation Measure 4.C-2a). | Project applicant shall implement TDM program. | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program | Prior to issuance of building permit(s) | Applies to intersection of Webster/Eighth See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5n (Broadway/Fifth): The City of Alameda shall implement TDM (Mitigation Measure 4.C-2a). | Project applicant shall implement TDM program. | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program. | Prior to issuance of building permit(s) | Applies to intersection of Broadway/Fifth See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5o (Brush/12th): The City of Alameda shall implement TDM (Mitigation Measure 4.C-2a). | Project applicant shall implement TDM program. | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program. | Prior to issuance of building permit(s) | Applies to intersection of Brush/12th See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5p (High/Oakport): The City of Alameda shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and work with the City of Oakland to optimize the signal timing to allow for more green time for northbound traffic. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5p) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to intersection of High/Oakport See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5q (High/Coliseum): The City of Alameda shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and work with the City of Oakland to optimize the signal timing. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5q) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to intersection of High/Coliseum See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5r (29th/Ford): The City of Alameda shall implement TDM (Mitigation Measure 4.C-2a). | Project applicant shall implement TDM program. | City of Alameda Community Development Department | City of Alameda Community Development Department shall require implementation of TDM program. | Prior to issuance of building permit(s) | Applies to intersection of 29th/Ford See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5s (23rd Ave./Seventh St.): The City of Alameda shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and work with the City of Oakland to modify the northbound to provide a separate left-turn lane and a shared through-right-turn lane, and optimize the signal. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5s) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to intersection of 23rd Ave./Seventh St. See Mitigation Measures 4.C-2a and 4.C-2b. |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| | attributable to the project. | | funds | | |
| Mitigation Measure 4.C-5t (Main/Pacific Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to change signal timing to two-phase timing plan (i.e., northbound and southbound move concurrently, then eastbound and westbound move concurrently) and optimize cycle length. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5t) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to intersection of Main/Pacific See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5u (Webster/Alpezzato Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to optimize signal timing. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvement (as stated in Mitigation Measure 4.C-5u) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to intersection of Webster/Alpezzato See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5v (High/Fernside Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and Mitigation Measure 4.C-5e (optimize signal timing during the p.m. peak hour). | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a, 4.C-2b, and 4.C-5e. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to intersection of High/Fernside See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5w (Alpezzato/Constitution Pedestrian): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvements: <ul style="list-style-type: none"> • Modify phasing sequence; and • Optimize the signal timing. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5w) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to intersection of Alpezzato/Constitution See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5x (Park Street Transit): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvements: <ul style="list-style-type: none"> • Provide transit signal priority at intersections along this corridor; and • Optimize splits at the Park Street and Blanding Avenue intersection during a.m. and p.m. peak hours. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5x) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to Park Street See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5y (Alpezzato Parkway Transit): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the following improvements: <ul style="list-style-type: none"> • Install transit signal priority at intersections along this corridor; • Optimize cycle length at the Alpezzato Parkway and Webster Street intersection during a.m. and p.m. peak hours and provide signal priority; and • Establish exclusive transit lanes or queue jump lanes from Alameda Point to Webster Street. | City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5y) attributable to the project. | City of Alameda Community Development Department | City of Alameda Community Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds. | Prior to issuance of building permit(s) | Applies to Alpezzato Parkway See Mitigation Measures 4.C-2a and 4.C-2b. |
| Mitigation Measure 4.C-5z (Stargell Avenue Transit): The City shall implement | City of Alameda shall require Project | City of Alameda | City of Alameda Community | Prior to issuance of building | Applies to Stargell Avenue |

| Mitigation Measures | Implementation Procedures | Monitoring and Reporting Action | Monitoring Responsibility | Mitigation Schedule | Notes |
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| <p>TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, implement the following improvements:</p> <ul style="list-style-type: none"> Provide westbound queue jump lanes on Willie Stargell Avenue at Main Street or construct exclusive transit lanes on Willie Stargell Avenue; Install transit signal priority at intersections along this corridor; and Optimize cycle length at the Main Street and Willie Stargell Avenue intersection during a.m. and p.m. peak hours. | <p>applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5z) attributable to the project.</p> | <p>Development Department shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds</p> | <p>Community Development Department</p> | <p>permit(s)</p> | <p>See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-5zi (Stargell Avenue Bike): The City shall implement Mitigation Measure 4.C-2m (Stargell Avenue bike path).</p> | <p>See Mitigation Measure 4.C-2m, above.</p> | | | | |
| <p>Mitigation Measure 4.C-5zii: The City shall implement Mitigation Measure 4.C-2n (Main Street bicycle improvements).</p> | <p>See Mitigation Measure 4.C-2n, above.</p> | | | | |
| <p>Mitigation Measure 4.C-5ziii (Central Avenue Bike): The City shall implement Mitigation Measure 4.C-2o (Central Avenue bicycle improvements).</p> | <p>See Mitigation Measure 4.C-2o, above.</p> | | | | |
| <p>Mitigation Measure 4.C-5ziv (Oak Street Bike): The City shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and, when required to avoid the impact or reduce its severity, fund a fair share contribution to implement the completion of a bicycle boulevard with appropriate signage and striping along Oak Street from Blanding Avenue to Encinal Avenue to advise motorists and bicyclists to share the street.</p> | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and fund a fair-share of the portion of the cost of the improvements (as stated in Mitigation Measure 4.C-5ziv) attributable to the project.</p> | <p>City of Alameda Community Development shall monitor to ensure implementation of TDM Program, Monitoring, and collection of fair-share of funds</p> | <p>City of Alameda Community Development</p> | <p>Prior to issuance of building permit(s)</p> | <p>Applies to Oak Street See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>Mitigation Measure 4.C-9 (Chinatown Pedestrians): The City of Alameda shall implement TDM and Monitoring (Mitigation Measures 4.C-2a and 4.C-2b) and shall continue to work with the City of Oakland, the ACTC, and Caltrans, to evaluate and implement measures to reduce or divert the volume of traffic that travels through Oakland Chinatown to and from Alameda Point and other City of Alameda destinations.</p> | <p>City of Alameda shall require Project applicant to implement Mitigation Measures 4.C-2a and 4.C-2b, and coordinate with the City of Oakland, the ACTC, and Caltrans to evaluate and then implement measures that reduce/divert volume of traffic that travels through Oakland Chinatown to and from Alameda Point and other City of Alameda destinations.</p> | <p>City of Alameda Community Development shall monitor to ensure implementation of TDM Program, Monitoring, and continue coordination with the City of Oakland, the ACTC, and Caltrans.</p> | <p>City of Alameda Community Development</p> | <p>Prior to issuance of building permit(s)</p> | <p>See Mitigation Measures 4.C-2a and 4.C-2b.</p> |
| <p>D. Cultural and Paleontological Resources</p> | | | | | |
| <p>Mitigation Measure 4D-1a (Historic Preservation Ordinance): The City shall implement the requirements of the Historic Preservation Ordinance, which requires a certificate of approval by the HAB for modifications to contributors and resources within the Historic District. As part of the certificate of approval process, project sponsors shall provide:</p> <ol style="list-style-type: none"> 1) An analysis of the proposal's conformity with the <i>Guide to Preserving the Character of the Naval Air Station Alameda Historic District</i> as adopted and amended by the City Council; 2) An analysis of the proposal's conformity with general management and design guidelines contained within the NAS Alameda Cultural Landscape Report (JRP, 2012), including application of the <i>Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for the Treatment of Cultural Landscapes</i>. These include special treatments organized by functional area for such topics as spatial organization, topography, vegetation, views and vistas, circulation, as well as structures, furnishings and objects; and 3) An analysis of impacts to the integrity of the Historic District, as a whole, and an analysis of alternatives to avoid potential impacts on the Historic District as a whole, and on an individual resource | <p>Project applicant shall conduct analyses listed to comply with the Historic Preservation Ordinance.</p> | <p>City of Alameda's Historical Advisory Board (HAB) shall verify completion of analyses.</p> | <p>City of Alameda Community Development</p> | <p>During the certificate of approval process</p> | <p>Water-Connected Projects: In addition to all projects located in the Historic District, this mitigation measure also applies to projects located adjacent to Seaplane Lagoon.</p> |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>Mitigation Measure 4D-2 (Archaeological Resources): If cultural resources are encountered, all activity within 100 feet of the find shall halt until it can be evaluated by a qualified archaeologist and a Native American representative. Prehistoric archaeological materials might include obsidian and chert flaked-stone tools (e.g., projectile points, knives, scrapers) or toolmaking debris; culturally darkened soil ("midden") containing heat-affected rocks, artifacts, or shellfish remains; and stone milling equipment (e.g., mortars, pestles, handstones, or milling slabs), and battered stone tools, such as hammerstones and pitted stones. Historic-era materials might include stone, concrete, or adobe footings and walls; filled wells or privies; and deposits of metal, glass, and/or ceramic refuse. If the archaeologist and Native American representative determine that the resources may be significant, they shall notify the City of Alameda and shall develop an appropriate treatment plan for the resources. The archaeologist shall consult with Native American monitors or other appropriate Native American representatives in determining appropriate treatment for unearthened cultural resources if the resources are prehistoric or Native American in nature.</p> <p>In considering any suggested measures proposed by the archaeologist and Native American representative in order to mitigate impacts to cultural resources, the project applicant shall determine whether avoidance is necessary and feasible in light of factors such as the nature of the find, project design, costs, and other considerations. If avoidance is infeasible, other appropriate measures (e.g., data recovery) shall be instituted. Work may proceed on other parts of the project area while mitigation for cultural resources is being carried out.</p> <p>Pursuant to CEQA Guidelines Section 15126(b), <i>Mitigation Measures Related to Impacts on Historical Resources</i>, the City of Alameda will, whenever feasible, seek to avoid damaging effects on any historical resource of an archaeological nature. The following factors shall be considered for a project involving an archaeological site:</p> <p>A. Preservation in place is the preferred manner of mitigating impacts to archaeological sites. Preservation in place maintains the relationship between artifacts and the archaeological context. Preservation may also avoid conflict with religious or cultural values of groups associated with the site.</p> <p>B. Preservation in place may be accomplished by, but is not limited to, the following:</p> <ol style="list-style-type: none"> 1. Planning construction to avoid archaeological sites; 2. Incorporation of sites within parks, greenspace, or other open space; 3. Covering the archaeological sites with a layer of chemically stable soil before building tennis courts, parking lots, or similar facilities on the site. 4. Deeding the site into a permanent conservation easement. <p>C. When data recovery through excavation is the only feasible mitigation, a data recovery plan, which makes provisions for adequately recovering the scientifically consequential information from and about the historical resource, shall be prepared and adopted prior to any excavation being undertaken. Such studies shall be deposited with the California Historical Resources Regional Information Center. Archeological sites known to contain human remains shall be treated in accordance with the provisions of Section 7050.5 Health and Safety Code. If an artifact must be removed during project excavation or testing, curation may be an appropriate mitigation.</p> <p>D. Data recovery shall not be required for an historical resource if the lead agency determines that testing or studies already completed have adequately recovered the scientifically consequential information from and about the archaeological or historical resource, provided that the determination is documented in the EIR and</p> | <p>Project applicant and its contractor(s) shall halt work and notify archaeologist and Native American representative if materials are discovered. Archaeologist and Native American representative shall conduct independent review and prepare treatment plan, if necessary. Project applicant or its contractor(s) shall implement treatment plan and mitigate impacts pursuant to CEQA Guidelines.</p> | <p>City of Alameda Community Development Department</p> | <p>If resources are encountered, verify work is suspended and review and approve the treatment and monitoring plan if archaeological materials are discovered</p> | <p>If resources encountered, review of treatment and monitoring plan prior to continuation of construction</p> | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>that the studies are deposited with the California Historical Resources Regional Information Center.</p> <p>Mitigation Measure 4.D-3 (Paleontological Resources): If paleontological resources, such as fossilized bone, teeth, shell, tracks, trails, casts, molds, or impressions are discovered during ground-disturbing construction activities, all such activities within 100 feet of the find shall be halted until a qualified paleontologist can assess the significance of the find and, if necessary, develop appropriate salvage measures in consultation with the City of Alameda and in conformance with Society of Vertebrate Paleontology Guidelines (SVP, 1995; SVP, 1996).</p> | <p>Project applicant and its contractor(s) shall halt construction within 100 feet of paleontological resources. Project applicant shall retain a paleontologist to assess significance of resources and develop salvage measures, if necessary. Project applicant shall incorporate measures upon continuation of construction.</p> | <p>City of Alameda Community Development Department</p> | <p>Consult paleontologist in development of appropriate salvage measures for any paleontological resources found</p> | <p>If resources encountered, review of treatment and monitoring plan prior to continuation of construction</p> | |
| <p>Mitigation Measure 4.D-4 (Human Remains): In the event of discovery or recognition of any human remains during construction activities, such activities within 100 feet of the find shall cease. The Alameda County Coroner shall be contacted immediately. If the remains are determined to be Native American, and no investigation of the cause of death is required, the Native American Heritage Commission (NAHC) will be contacted within 24 hours. The NAHC will identify and contact the person or persons it believes to be the "most likely descendant (MLD)" of the deceased Native American, who in turn would make recommendations for the appropriate means of treating the human remains and any grave goods.</p> | <p>Project applicant and its contractor(s) shall halt work and notify coroner and City of Alameda Community Development Department if remains are discovered. NAHC shall assign most likely descendant. Project applicant and its contractor(s) shall hire archaeologist and cease work if site is a Native American Cemetery</p> | <p>City of Alameda Community Development Department; NAHC; County Coroner</p> | <p>Contact City, NAHC, or County Coroner if human remains are encountered</p> | <p>Ongoing</p> | |
| <p>Mitigation Measure 4.D-5: Implement Mitigation Measures 4.D-1.</p> | <p>See Mitigation Measure 4.D-1.</p> | | | | |
| <p>Mitigation Measure 4.D-6: Implement Mitigation Measures 4.D-2, -3, and -4.</p> | <p>See Mitigation Measures 4.D-2, 4.D-3, and 4.D-4.</p> | | | | |
| <p>E. Biological Resources</p> | | | | | |
| <p>Mitigation Measure 4.E-1a (Sound Attenuation Monitoring Plan): Prior to the start of marina or ferry terminal construction, the City shall require a NMFS-approved sound attenuation monitoring plan to protect fish and marine mammals, if pile driving is planned for the Seaplane Lagoon. This plan shall provide detail on the sound attenuation system, detail methods used to monitor and verify sound levels during pile driving activities, and describe management practices to be taken to reduce impact hammer pile-driving sound in the marine environment to an intensity level of less than 183 db. The sound monitoring results shall be made available to the NMFS. The plan shall incorporate, but not be limited, to the following best management practices (BMPs):</p> <ul style="list-style-type: none"> To the extent feasible, all pilings shall be installed and removed with vibratory pile drivers only. Vibratory pile driving will be conducted following the Corps' "Proposed Procedures for Permitting Projects that will Not Adversely Affect Selected Listed Species in California". USFWS and NOAA completed Section 7 consultation on this document, which establishes general procedures for minimizing impacts to natural resources associated with projects in or adjacent to jurisdictional waters. An impact pile driver may only be used where necessary to complete installation of larger steel pilings in accordance with seismic safety or other engineering criteria The hammer shall be cushioned using a 12-inch thick wood cushion | <p>Project applicant shall create a NMFS-approved sound attenuation monitoring plan. Project applicant shall implement plan and record monitoring results.</p> | <p>City of Alameda Community Development Department</p> | <p>Verify completion of plan and monitor throughout construction. Ensure that monitoring results get submitted to NMFS.</p> | <p>Prior to start of marina or ferry terminal construction</p> | <p>*Although this mitigation measure applies primarily to marina or ferry terminal projects, it would also apply to any project that entails pile driving within Seaplane Lagoon.</p> |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>block during all impact hammer pile driving operations</p> <ul style="list-style-type: none"> All piling installation using impact hammers shall be conducted between June 1 and November 30, when the likelihood of sensitive fish species being present in the work area is minimal If pile installation using impact hammers must occur at times other than the approved work window, the project applicant shall obtain incidental take authorization from NMFS and CDFW, as necessary, to address potential impacts on steelhead trout, chinook salmon, and Pacific herring and implement all requested actions to avoid impacts The project applicant shall monitor and verify sound levels during pile driving activities. The sound monitoring results will be made available to NMFS and the City In the event that exceedance of noise thresholds established and approved by NMFS occurs, a contingency plan involving the use of bubble curtains or air barrier shall be implemented to attenuate sound levels to below thresholds | <p>Project applicant shall consult with NMFS if project requires in-water work.</p> <p>Project applicant shall consult with CDFW regarding potential need for an ITP. Project applicant shall submit copies of any IHA and/or ITP to the City or confirm that they are not required.</p> | <p>City of Alameda Community Development Department; NMFS; CDFW</p> | <p>Confirm consultation with NMFS and CDFW.</p> | <p>During the project permitting phase, prior to construction.</p> | <p>Although it is anticipated that this mitigation measure would apply only to marina or ferry terminal projects, it would also apply to any other proposal that would require pile driving and/or construction of docks within Seaplane Lagoon or San Francisco Bay.</p> |
| <p>Mitigation Measure 4-E-1b (NMFS and CDFW Consultation): During the project permitting phase, the City will ensure that any projects requiring in-water work include consultation with NMFS to determine if the work can be covered under one of the programmatic consultations for federally listed species described above or if a project-level BO would be required and whether an incidental Harassment Authorization (IHA) for marine mammals would be needed for dredging or pile driving activities. The project applicant shall also consult with CDFW regarding State special-status fish and the potential need for an incidental take permit (ITP). The project applicant shall submit to the City copies of any IHA and/or ITP received or, alternatively, copies of correspondence confirming that an IHA and/or ITP is not required for the project in question.</p> | <p>Project applicant shall implement the listed actions to reduce the effects of underwater noise transmission.</p> <p>Project applicant shall hire a NMFS-approved biological monitor to conduct daily surveys.</p> | <p>City of Alameda Community Development Department; NMFS</p> | <p>NMFS will review and the monitoring plan and approve the biological monitor that would conduct daily surveys before and during impact hammer pile driving work.</p> <p>City will ensure implementation of the listed actions and daily surveys described in Measure 4-E-1c along with those listed in Measure 4-E-1a.</p> | <p>Prior to construction</p> | <p>Although it is anticipated that this mitigation measure would apply only to marina or ferry terminal projects, it would also apply to any other proposal that would require pile driving and/or construction of docks within Seaplane Lagoon or San Francisco Bay.</p> |
| <p>Mitigation Measure 4-E-1c (Additional Noise Attenuation Measures): As part of the NMFS-approved sound attenuation monitoring plan required for pile driving in the Seaplane Lagoon in Mitigation Measure 4-E-1a, the City shall ensure that the project applicant implements the following actions in addition to those listed in Mitigation Measure 4-E-1a to reduce the effect of underwater noise transmission on marine mammals. These actions shall include at a minimum:</p> <ul style="list-style-type: none"> Establishment of a 1,600-foot (500-meter) safety zone that shall be maintained around the sound source, for the protection of marine mammals in the event that sound levels are unknown or cannot be adequately predicted Work activities shall be halted when a marine mammal enters the 1,600-foot (500-meter) safety zone and resume only after the animal has been gone from the area for a minimum of 15 minutes A "soft start" technique shall be employed in all pile driving to marine mammals an opportunity to vacate the area Maintain sound levels below 90 dBA in air when pinnipeds (seals and sea lions) are present A NMFS-approved biological monitor will conduct daily surveys before and during impact hammer pile driving to inspect the work zone and adjacent Bay waters for marine mammals. The monitor will be present as specified by NMFS during the impact pile-driving phases of construction | | | | | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>Mitigation Measure 4.E-1d (Dock Lighting): Prior to occupancy, the City shall ensure that the project applicant installs dock lighting on all floating docks that minimizes artificial lighting of Bay waters by using shielded, low-mounted, and low light-intensity fixtures and bulbs.</p> | <p>Project applicant shall include dock lighting measures in construction plans and specifications.</p> | <p>City of Alameda Community Development Department</p> | <p>Review construction plans and specifications to ensure it includes dock lighting requirements. Inspect light fixtures to ensure lighting meets requirements stated in Measure 4.E-1d.</p> | <p>Prior to construction and after construction.</p> | <p>Although it is anticipated that this mitigation measure would apply only to marina or ferry terminal projects, it would also apply to any other proposal that would require construction of docks within Seaplane Lagoon or San Francisco Bay.</p> |
| <p>Mitigation Measure 4.E-2a (Native Oysters and Eelgrass): Prior to marina or ferry terminal construction, the City shall ensure that the project applicant conducts a pre-construction survey to determine if native oysters and eelgrass are present in Seaplane Lagoon.</p> <ul style="list-style-type: none"> The eelgrass survey shall be conducted according to the methods contained in the California Draft Eelgrass Mitigation Policy (CDEMP) (NMFS 2011), with the exception that the survey shall be conducted with 120 days (rather than 60 days, as recommended in the CDEMP) prior to the desired construction start date, to allow sufficient time for modification of project plans (if feasible) and agency consultation. If found within or immediately adjacent to the construction footprint, the project applicant shall first determine whether avoidance of the beds is feasible. If feasible, impacts to the oyster or eelgrass bed shall be avoided. If complete avoidance is not feasible, the applicant shall request guidance from the National Marine Fisheries Service (or other applicable agency) as to the need and/or feasibility to move affected beds. Any translocation of eelgrass beds shall be conducted consistent with the methods described in the CDEMP and/or those described in Eelgrass Conservation in San Francisco Bay: Opportunities and Constraints (Boyer and Wylie-Echeverria, 2010). Translocation of oyster beds shall be consistent with methods and recommendations presented in Shellfish Conservation and Restoration in San Francisco Bay: Opportunities and Constraints (Zabin et al., 2010) If it is not possible to translocate oyster or eelgrass beds then the City shall ensure that the project applicant provides compensatory mitigation consistent with the CDEMP for eelgrass (a ratio of 3.01:1 [transplant area to impact area]) and a minimum 1:1 ratio for oyster beds. The relocation of compensatory mitigation site for eelgrass or oyster beds shall be located within San Francisco Bay. | <p>Project applicant shall conduct a pre-construction survey to determine if native oysters and eelgrass are present in Seaplane Lagoon. Project applicant's survey shall follow the CDEMP methods. Project applicant shall assess if avoidance of the beds or translocation is feasible</p> | <p>City of Alameda Community Development Department</p> | <p>Review construction specifications to ensure inclusion of protective measures for Native Oysters and Eelgrass. Monitor to ensure completion of pre-construction survey. Monitor to ensure proper avoidance or translocation of Native Oysters and Eelgrass</p> | <p>Prior to construction</p> | |
| <p>Mitigation Measure 4.E-2c (Invasive Species Control Plan) The City shall require that the project applicant develop and implement a Marine Invasive Species Control Plan prior to commencement of any in-water work including, but not limited to, construction of piers and seawalls, dredging, pile driving, and construction of new stormwater outfalls. The plan shall be prepared in consultation with the United States Coast Guard (USCG), RWQCB, and other relevant state agencies. Provisions of the plan shall include but not be limited to the following:</p> <ul style="list-style-type: none"> Environmental training of construction personnel involved in in-water work Actions to be taken to prevent the release and spread of marine invasive species, especially algal species such as Undaria and Sargasso Procedures for the safe removal and disposal of any invasive taxa observed on the removed structures prior to disposal or reuse of pilings, docks, wave attenuators, and other features The onsite presence of qualified marine biologists to assist the contractor in the identification and proper handling of any invasive species on removed Port equipment or materials | <p>Project applicant shall develop and implement a Marine Invasive Species Control Plan during construction of in-water work. Project applicant will prepare a post-construction report and submit to the City, USCG, and RWQCB.</p> | <p>City of Alameda Community Development; USCG; RWQCB and other relevant state agencies</p> | <p>Review and approve Marine Invasive Species Control Plan. Ensure the provisions of the approved plan are implemented, including preparation of a post-construction.</p> | <p>Prior to issuance of building permit(s) and during construction</p> | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <ul style="list-style-type: none"> A post-construction report identifying which, if any, invasive species were discovered attached to equipment and materials following removal from the water, and describing the treatment/handling of identified invasive species. Reports shall be submitted to the City, as well as the USCG and the RWQCB if requested by the agencies. | <p>Project applicant shall obtain all necessary wetland permits. Project applicant shall implement measures to avoid or minimize adverse effects on jurisdictional waters and sensitive natural communities.</p> <p>Project applicant will implement measures to avoid or minimize adverse effects on jurisdictional waters and sensitive natural communities as identified in Mitigation Measure 4.E-3a.</p> | <p>City of Alameda Community Development Department</p> | <p>Confirm all necessary wetland permits have been obtained. Ensure implementation of measures to avoid sensitive natural communities.</p> | <p>Prior to issuance of final grading or building permit(s) and during construction.</p> | |
| <p>Mitigation Measure 4.E-3a: (Wetlands) Prior to issuance of final grading or building permits that include work within or in the vicinity of jurisdictional waters, the City shall confirm that the project applicant has obtained all necessary wetland permits and shall further ensure that the project applicant implements measures to avoid or minimize adverse effects on jurisdictional waters and sensitive natural communities. Specifically:</p> <ul style="list-style-type: none"> The existing wetlands in the Northwest Territories shall be preserved and incorporated into compatible open space uses to the maximum extent feasible. Wetlands to be avoided shall be protected by setbacks throughout project construction. Based on recommendations in the Baylands Ecosystem Habitat Goals (Goals Project, 1999) a minimum 300-foot wetland buffer shall be incorporated into project design wherever possible to protect water quality and the wildlife that use the wetlands. Where existing uses preclude the establishment of a 300-foot or larger buffer, the largest buffer possible shall be established. Buffer width should be determined by considering the quality of the wetlands, actual or potential wildlife use, existing and proposed future uses, amount and type of vegetation within the buffer, and angle and direction of slope in proximity to the wetland (McElfish et al., 2008). Open space uses shall incorporate these buffers in the siting of recreational trails and development of facilities to ensure the wetlands and the wildlife that use them are adequately buffered from recreational uses. During project construction, areas to be avoided and provided with setbacks pursuant to the provisions described above shall be further protected by best management practices (BMPs), as described in Mitigation Measure 4.E-3b, below. Such measures shall include the installation of silt fencing, straw wattles, or other appropriate erosion and sediment control methods or devices along roads and at the 100-foot setback limits. To minimize impacts on wetlands and other waters, equipment such as backhoes and cranes used for installation of rip-rap or other shore stabilization measures along the Bay shoreline shall operate from dry land where possible. Any construction operations within Bay waters shall be barge-mounted or use other water-based equipment such as scows, derrick barges, and tugs. | <p>Project applicant shall comply with the NPDES General Permit for Construction through implementation of BMPs described in Mitigation Measure 4.E-3b.</p> | <p>City of Alameda Community Development Department</p> | <p>Ensure that Project applicant implements applicable BMPs and complies with NPDES General Permit.</p> | <p>During construction</p> | <p>Although implementation of this mitigation measure is particularly critical for projects located adjacent to or in proximity to wetlands or surface waters, all construction projects will be required to comply with the Regional Water Quality Control Board's NPDES General Construction Permit, and will be required to implement appropriate BMPs.</p> |
| <p>Mitigation Measure 4.E-3b: (BMPs for Wetlands) Standard BMPs shall be employed to avoid degradation of aquatic habitat and wetlands by maintaining water quality and controlling erosion and sedimentation during construction as required by compliance with the National Pollutant Discharge Elimination System (NPDES) General Permit for Construction Activities (see also Section 4.H, <i>Hydrology and Water Quality</i>, of this EIR, which addresses impacts on water quality). BMPs shall include, but not be limited to, the following: (1) installing silt fencing between wetlands and aquatic habitat and construction-related activities, (2) locating fueling stations away from potentially jurisdictional features, and (3) otherwise isolating construction work areas from any identified jurisdictional features. In addition, BMPs to avoid impacts on water quality resulting from dredging or other activities within open waters that are identified in the <i>Long-term Management Strategy for the Placement of Dredged Material in the San Francisco Bay Region</i> (LTMS) (Corps, 2001) shall be implemented. These BMPs include silt fencing and gunnerbooms or other appropriate methods for keeping dredged materials or other</p> | | | | | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>sediments from leaving a project site.</p> <p>Mitigation Measure 4.E-3c: (Wetland Mitigation and Monitoring Plan) Where disturbance to jurisdictional waters cannot be avoided, compensation shall be provided at a minimum 1:1 ratio for temporary impacts and permanent loss. Actual compensatory mitigation ratios will be specified in project permits issued by the Corps, RWQCB, and BCDC. Where applicable, compensation shall be detailed on a project-specific basis and shall include development of an onsite wetland mitigation and monitoring plan, which shall be developed prior to the start of the first phase of development or in coordination with permit applications and/or conditions. Alternatively, offsite mitigation may be pursued through an approved mitigation bank, although this option may result in a higher mitigation ratio. At a minimum, such plans shall include:</p> <ul style="list-style-type: none"> • Baseline information, including a summary of findings for the most recent wetland delineation applicable to the project site; • Anticipated habitat enhancements to be achieved through compensatory actions, including mitigation site location (onsite enhancement or offsite habitat creation) and hydrology; • Performance and success criteria for wetland creation or enhancement including, <ul style="list-style-type: none"> - At least 70 percent survival of installed plants for each of the first three years following planting. - Performance criteria for vegetation percent cover in Years 1-4 as follows: at least 10 percent cover of installed plants in Year 1; at least 20 percent cover in Year 2; at least 30 percent cover in Year 3; at least 40 percent cover in Year 4. - Performance criteria for hydrology in Years 1-5 as follows: Fourteen or more consecutive days of flooding, ponding, or a water table 12 inches or less below the soil surface during the growing season at a minimum frequency of three of the five monitoring years; OR establishment of a prevalence of wetland obligate plant species. - Invasive plant species that threaten the success of created or enhanced wetlands should not contribute relative cover greater than 35 percent in Year 1, 20 percent in Years 2 and 3, 15 percent in Year 4, and 10 percent in Year 5. - If necessary, supplemental water shall be provided by a water truck for the first two years following installation. Any supplemental water must be removed or turned off for a minimum of two consecutive years prior to the end of the monitoring period, and the wetland must meet all other criteria during this period. At the end of the five-year monitoring period, the wetland must be self-sufficient and capable of persistence without supplemental water. - At least 75 percent cover by hydrophytic vegetation at the end of the five-year monitoring period. In addition, wetland hydrology and hydric soils must be present and defined as follows: <ul style="list-style-type: none"> ▪ <i>Hydrophytic vegetation</i> – A plant community occurring in areas where the frequency and duration of inundation or soil saturation produce permanently or periodically saturated soils of sufficient duration to exert a controlling influence on the plant species present. ▪ <i>Wetland hydrology</i> – Identified by indicators such as sediment deposits, water stains on vegetation, and oxidized rhizospheres along living roots in the upper 12 inches of the soil, or satisfaction of the hydrology/performance criteria listed above. | <p>Project applicant shall develop a mitigation plan to compensate disturbance to jurisdictional waters at a minimum 1:1 ratio by either (1) developing an onsite wetland mitigation monitoring plan or (2) pursue offsite mitigation options. Ensure that mitigation plan incorporates items described in Measure 4.E-3c.</p> | <p>City of Alameda Community Development Department; Corps; RWQCB; BCDC</p> | <p>Review of construction specifications to ensure it includes wetland replaced or restored at a minimum 1:1 ratio for temporary and permanent loss. Review compensation plan to ensure incorporation of items described in Mitigation Measure 4.E-3c.</p> | <p>Prior to issuance of grading permit</p> | |

² Vegetation-related criteria listed here apply only mitigation required for impacts to vegetated wetlands and would not be required for mitigation required for impacts to unvegetated wetlands.

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>Hydric soils – Soils that are saturated, flooded, or ponded long enough during the growing season to develop anaerobic conditions, which are often characterized by features such as redox concentrations, which form by the reduction, translocation, and/or oxidation of iron and manganese oxides. Hydric soils may lack hydric indicators for a number of reasons. In such cases, the same standard used to determine wetland hydrology when indicators are lacking can be used.</p> <p>Five years after any wetland creation, a wetland delineation shall be performed to determine whether created wetlands are developing according to the success criteria outlined in the project permits. If they are not, remedial measures such as re-planting and or re-design and construction of the created wetland shall be taken to ensure that the Project’s mitigation obligations are met.</p> <ul style="list-style-type: none"> If permanent and temporary impacts on jurisdictional waters cannot be compensated onsite through the restoration or enhancement of wetland features incorporated within proposed open space areas, the specific project applicant shall provide additional compensatory mitigation for these habitat losses. Potential options include the creation of additional wetland acreage onsite or the purchase of offsite mitigation. Offsite compensatory mitigation would be required to fulfill the performance standards described above. | <p>The City shall deploy buoys and post speed limit signs. WETA shall adhere to a 10-mph speed limit on the harbor side of the Breakwater Island in and around the Seaplane Lagoon.</p> <p>Project applicant shall conduct pre-construction breeding bird surveys. Project applicant shall implement identified avoidance and minimization measures for nesting bird impacts.</p> | <p>City of Alameda Community Development Department</p> <p>City of Alameda Community Development Department</p> | <p>City to ensure that measure is implemented.</p> <p>Review construction specifications to ensure incorporation of nesting bird avoidance and minimization measures. Monitor to ensure implementation of avoidance and minimization measures during construction.</p> | <p>During or after construction of marina and ferry terminal are complete.</p> <p>Prior to issuance of building permit(s) and during construction</p> | <p>Although this mitigation measure is particularly critical for projects located in the Northwest Territories and the Federal Property, it is applicable to any project on a site that has trees, shrubs, buildings, or other structures, all of which can provide nesting habitat for birds.</p> |
| <p>Mitigation Measure 4.E-4a (Marine Craft Access Corridor): The City shall deploy buoys between Breakwater Island and the shoreline to create a 500-foot access corridor for all marine craft, including pleasure crafts and ferries, under non-emergency situation, in order to minimize disturbance to biological habitat on the shoreline and on the breakwater. Signs shall be posted that include a speed limit of 10 mph on the harbor side of Breakwater Island.</p> <p>Mitigation Measure 4.E-4c (Breeding Birds) The City shall require project applicants to conduct pre-construction breeding bird surveys for projects proposed in areas containing, or likely to contain, habitat for nesting birds as a condition of approval for any development-related permit. Specific measures to avoid and minimize impacts on nesting birds include, but are not limited to, those described below.</p> <ul style="list-style-type: none"> To avoid and minimize potential impacts on nesting raptors and other birds, preconstruction surveys shall be performed not more than one week prior to initiating vegetation removal and/or construction activities during the breeding season (i.e., February 1 through August 31) To avoid and minimize potential impacts on nesting raptors and other birds, a no-disturbance buffer zone shall be established around active nests during the breeding season until the young have fledged and are self-sufficient, when no further mitigation would be required Typically, the size of individual buffers ranges from a minimum of 250 feet for raptors to a minimum of 50 feet for other birds but can be adjusted based on an evaluation of the site by a qualified biologist in cooperation with the USFWS and/or CDFW Birds that establish nests after construction starts are assumed to be habituated to and tolerant of the indirect impacts resulting from construction noise and human activity. However, direct take of nests, eggs, and nestlings is still prohibited and a buffer must be established to avoid nest destruction. If construction ceases for a period of more than two weeks, or vegetation removal is required after a period of more than two weeks has elapsed from the preconstruction surveys, then new nesting bird surveys must be conducted. | <p>The City shall deploy buoys and post speed limit signs. WETA shall adhere to a 10-mph speed limit on the harbor side of the Breakwater Island in and around the Seaplane Lagoon.</p> <p>Project applicant shall conduct pre-construction breeding bird surveys. Project applicant shall implement identified avoidance and minimization measures for nesting bird impacts.</p> | <p>City of Alameda Community Development Department</p> <p>City of Alameda Community Development Department</p> | <p>City to ensure that measure is implemented.</p> <p>Review construction specifications to ensure incorporation of nesting bird avoidance and minimization measures. Monitor to ensure implementation of avoidance and minimization measures during construction.</p> | <p>During or after construction of marina and ferry terminal are complete.</p> <p>Prior to issuance of building permit(s) and during construction</p> | <p>Although this mitigation measure is particularly critical for projects located in the Northwest Territories and the Federal Property, it is applicable to any project on a site that has trees, shrubs, buildings, or other structures, all of which can provide nesting habitat for birds.</p> |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>Mitigation Measure 4.E-4e (Noise Mitigation Measures for Breeding Birds): The City shall ensure that project construction activities on City property that would result in noise levels exceeding maximum ambient noise levels in the Northwest Territories or as measured on the Federal Property by more than 10 dBA and/or generally exceeding 60 dBA will avoid and minimize adverse effects on California least tern and other breeding bird reproductive success through one or more of the following measures:</p> <p>a) Demolition and construction on City owned property in the Northwest Territories directly adjacent to the Federal Property, and construction of the Bay Trail on Federal Property shall take place in September-January, outside the general bird breeding season of February through August, to the extent feasible. When such work is unavoidable, solid plywood fences shall be constructed between the project site and sensitive wildlife habitat prior to initiation of construction to serve as noise attenuation barriers. The fencing shall be a minimum of 8 feet in height. The fences shall shield the breeding birds from major noise generating phases of demolition and;</p> <p>b) In all other areas, major noise generating phases of demolition and construction that would exceed ambient noise levels as measured in the Federal Property by more than 10 dBA shall take place in September-January, outside the general bird breeding season of February through August; OR solid plywood fences shall be constructed as described above.</p> | <p>The City shall implement the two-part measure.</p> | <p>City of Alameda Community Development Department</p> | <p>City to ensure proper construction mitigation is implemented regarding sensitive wildlife and ambient noise levels prior to construction</p> | <p>Prior to and during construction.</p> | |
| <p>Mitigation Measure 4.E-4f: (Open Refuse Containers) The City shall prohibit open refuse containers that contain food waste throughout the project area. This prohibition shall be incorporated into the terms and conditions of all City approvals for future development at Alameda Point.</p> | <p>The City will prohibit placement of open refuse containers that contain food waste.</p> | <p>City of Alameda Community Development Department</p> | <p>City to ensure that measure is implemented.</p> | <p>After construction is complete.</p> | |
| <p>Mitigation Measure 4.E-5: The City of Alameda shall implement Mitigation Measures 4.E-1a through 4.E-1h (avoid and minimize impacts on special-status wildlife), Mitigation Measures 4.E-2a through 4.E-2c (avoid and minimize impacts to sensitive natural communities), Mitigation Measures 4.E-3a through 4.E-3c (avoid and minimize impacts to jurisdictional waters), and Mitigation Measures 4.E-4a through 4.E-4f (avoid and minimize impacts to migratory and breeding wildlife).</p> | <p>See Mitigation Measures 4.E-1a through 4.E-1h, 4.E-2a through 4.E-2c, 4.E-3a through 4.E-3c, and 4.E-4a through 4.E-4f.</p> | | | | |
| <p>Mitigation Measure 4.E-6: The City of Alameda shall implement Mitigation Measures 4.E-1a through 4.E-1h (avoid and minimize impacts on special-status wildlife), Mitigation Measures 4.E-2a through 4.E-2c (avoid and minimize impacts to sensitive natural communities), Mitigation Measures 4.E-3a through 4.E-3c (avoid and minimize impacts to jurisdictional waters), and Mitigation Measures 4.E-4a through 4.E-4f (avoid and minimize impacts to migratory and breeding wildlife).</p> | <p>See Mitigation Measures 4.E-1a through 4.E-1h, 4.E-2a through 4.E-2c, 4.E-3a through 4.E-3c, and 4.E-4a through 4.E-4f.</p> | | | | |
| <p>Mitigation Measure 4.E-7: The City of Alameda shall implement Mitigation Measures 4.E-1a through 4.E-1h (avoid and minimize impacts on special-status wildlife), Mitigation Measures 4.E-2a through 4.E-2c (avoid and minimize impacts to sensitive natural communities), Mitigation Measures 4.E-3a through 4.E-3c (avoid and minimize impacts to jurisdictional waters), and Mitigation Measures 4.E-4a through 4.E-4f (avoid and minimize impacts to migratory and breeding wildlife).</p> | <p>See Mitigation Measures 4.E-1a through 4.E-1h, 4.E-2a through 4.E-2c, 4.E-3a through 4.E-3c, and 4.E-4a through 4.E-4f.</p> | | | | |
| F. Air Quality and Greenhouse Gases | | | | | |
| <p>Mitigation Measure 4.F-1a: (Fugitive Dust) The following BAAQMD Best Management Practices for fugitive dust control will be required for all construction activities within the project area. These measures will reduce fugitive dust emissions primarily during soil movement, grading and demolition activities, but also during vehicle and equipment movement on unpaved project sites: <i>Basic Controls that Apply to All Construction Sites</i></p> | <p>Project applicant shall incorporate the BAAQMD BMPs for fugitive dust control in construction specifications. Project applicant shall implement BMPs during construction.</p> | <p>City of Alameda Community Development Department</p> | <p>Review construction specifications for inclusion of BAAQMD BMPs. Monitor to ensure that BMPs are implemented during construction.</p> | <p>Prior to issuance of building permit(s) and on-going during construction.</p> | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.</p> <p>2. All haul trucks transporting soil, sand, or other loose material off site shall be covered.</p> <p>3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.</p> <p>4. All vehicle speeds on unpaved roads shall be limited to 15 mph.</p> <p>5. All streets, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.</p> <p>6. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California Airborne toxics control measure Title 13, Section 2485 of CCR). Clear signage shall be provided for construction workers at all access points.</p> <p>7. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.</p> <p>8. A publicly visible sign shall be posted with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. BAAQMD's phone number shall also be visible to ensure compliance with applicable regulations.</p> | | | | | |
| <p>Mitigation Measure 4.F.1b: (Construction Exhaust) The following control measures for construction emissions will be required for all construction activities within the project area.</p> <ul style="list-style-type: none"> All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to two minutes. Clear signage shall be provided for construction workers at all access points. The Project shall develop a plan demonstrating that the off-road equipment (more than 50 horsepower) to be used in the construction project (i.e., owned, leased, and subcontractor vehicles) would achieve a project wide fleet-average 20 percent NO_x reduction and 45 percent PM reduction compared to the most recent CARB fleet average. Acceptable options for reducing emissions include the use of late model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options as such become available. (The Level 3 Verified Diesel Emissions Control (VDEC) required under Mitigation Measure 4.F.1d would also comply with this measure.) Require that all construction equipment, diesel trucks, and generators be equipped with Best Available Control Technology for emission reductions of NO_x and PM. Require all contractors to use equipment that meets CARB's most recent certification standard for off-road heavy duty diesel engines. | <p>Project applicant shall incorporate control measures for construction emissions in construction specifications.</p> <p>Project applicant shall implement control measures during construction.</p> | <p>City of Alameda Community Development Department</p> | <p>Review construction specifications to ensure incorporation of control measures for construction emissions. Monitor to ensure that construction exhaust measures are implemented during construction.</p> | <p>Prior to issuance of building permit(s) and during construction.</p> | |
| <p>Mitigation Measure 4.F.1c: (Demolition Controls) Demolition and disposal of any asbestos containing building material shall be conducted in accordance with the procedures specified by Regulation 11, Rule 2 (Asbestos Demolition, Renovation and Manufacturing) of BAAQMD's regulations.</p> | <p>Project applicant shall incorporate BAAQMD's Regulation 11, Rule 2 procedures in construction specifications.</p> | <p>City of Alameda Community Development Department</p> | <p>Review construction specifications to ensure incorporation of BAAQMD's measures for the demolition</p> | <p>Prior to and during construction.</p> | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| | Project applicant shall implement measures as outlined in Regulation 11, Rule 2 of BAAQMD's regulations. | | and disposal of asbestos. Ensure Project applicant complies with Regulation 11, Rule 2 procedures of BAAQMD's regulations. | | |
| Mitigation Measure 4.F.1d: (Toxic Air Contaminants and PM_{2.5}) The project sponsors shall ensure that construction contract specifications include a requirement that all off-road construction equipment used for project improvements be equipped with a Level 3 Verified Diesel Emissions Control (VDEC), which would reduce diesel particulate emissions by at least 85 percent. | Project applicant shall incorporate toxic air contaminants and PM _{2.5} measure in construction contract specifications. Project applicant will use off-road construction equipment with a Level 3 Verified Diesel Emissions Control. | City of Alameda Community Development Department | Review construction specifications to ensure that toxic air contaminants and PM _{2.5} measure is incorporated. Ensure that Project applicant uses off-road construction equipment with a Level 3 Verified Diesel Emissions Control. | Prior to and during construction. | |
| Mitigation Measure 4.F.2: (Greenhouse Gas Reduction Measures) The following measures shall be incorporated into the project design for properties within the project area: <ul style="list-style-type: none"> Implement a Transportation Demand Management (TDM) program, as described in detail in Mitigation Measure 4.C.1a in Section 4.C, Transportation. Require only natural gas hearths in residential units as a condition of final building permit; Require smart meters and programmable thermostats; Meet Green Building Code standards in all new construction; Install solar water heaters for all uses as feasible; Use recycled water when available; Install low-flow fixtures (faucets, toilets, showers); Use water efficient irrigation systems; and Institute recycling and composting services. Mitigation Measure 4.F.4: Implement Mitigation Measures 4.F.1a, 4.F.1b, and 4.F.1e. | Project applicant shall incorporate measures into project design documents. | City of Alameda Community Development Department | Ensure that project design documents incorporate measures identified in Mitigation Measure 4.F.2. | During design phase. | |
| Mitigation Measure 4.F.7a: Implement Mitigation Measure 4.F.2. | See Mitigation Measures 4.F.1a, 4.F.1b, and 4.F.1e. | | | | |
| Mitigation Measure 4.F.7b: (Fuel-Efficient Vehicles) The City shall promote use of clean fuel-efficient vehicles through preferential parking, installation of charging stations, and low emission electric vehicle carsharing programs to reduce the need to have a car or second car vehicles in the TDM Program. | City shall require implementation of measures identified in Measure 4.F.7b. | City of Alameda Community Development Department | | | |
| Mitigation Measure 4.F.8: Implement Mitigation Measures 4.F.2 and 4.F.7b. | See Mitigation Measures 4.F.2 and 4.F.7b. | | | | |
| G. Noise | | | | | |
| Mitigation Measure 4.G.1a: (Construction Hours) The City will require construction contractors to limit standard construction activities hours to be in compliance with the Noise Ordinance. Pile driving activities greater than 90 dBA limited to between 8:00 a.m. and 4:00 p.m. Monday through Friday. No pile driving shall be allowed on weekends and National holidays. | Project applicant and its contractor(s) to include noise limitations in construction specifications. Project applicant and its contractor(s) to comply with the Noise Ordinance and ensure that pile driving activities greater than 90 dBA are limited between 8:00 a.m. and 4:00 p.m. Monday | City of Alameda Community Development Department | Review construction specifications to ensure measure is incorporated; inspection to ensure conformance. | Prior to issuance of grading or building permit(s); inspection during construction | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>Mitigation Measure 4-G-1b: (Construction Noise Measures) To reduce daytime noise impacts due to construction, the City will require construction contractors to implement the following measures:</p> <ul style="list-style-type: none"> • Equipment and trucks used for project construction will utilize the best available noise control techniques, such as improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically-attenuating shields or shrouds, wherever feasible. • Impact tools (i.e., jack hammers, pavement breakers, and rock drills) used for project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust will be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves will be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures will be used, such as drills rather than impact equipment, whenever feasible. • Stationary noise sources will be located as far from adjacent receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or other measures to the extent feasible. • Haul routes that affect the fewest number of people will be selected. | <p>Project applicant and its contractor(s) shall use best available noise-control techniques described and locate stationary noise sources as far from adjacent receptors as possible.</p> | <p>City of Alameda Community Development Department</p> | <p>Require use of noise-control techniques in building permit; inspect construction site to confirm adherence to those requirements.</p> | <p>Prior to issuance of grading building permit(s); inspect during construction</p> | |
| <p>Mitigation Measure 4-G-1c: (Pile Driving Noise Attenuation Measures) Pile driving activities within 300 feet of sensitive receptors will require additional noise attenuation measures. Prior to commencing construction, a plan for such measures will be submitted for review and approval by the City to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures will include as many of the following control strategies as feasible:</p> <ul style="list-style-type: none"> • Erect temporary plywood noise barriers if they would block the line of sight between sensitive receptors and construction activities, particularly for existing residences in the northern area of the project site and for residences across Main Street; • Implement "quiet" pile driving technology (such as pre-drilling of piles or use of sonic pile drivers), where feasible, in consideration of geotechnical and structural requirements and conditions; and • Utilize noise control blankets on the building structure as the building is erected to reduce noise emission from the site. | <p>Project applicant and its contractor(s) shall prepare plan and submit to City; implement during construction.</p> | <p>City of Alameda Community Development Department</p> | <p>Review noise-attenuation plan and incorporate plan into building permit; inspect site during construction to confirm adherence to plan.</p> | <p>Prior to issuance of grading or building permit(s); inspect site during construction</p> | |
| <p>Mitigation Measure 4-G-1d: (Complaint Tracking) Prior to the issuance of each building permit, along with the submission of construction documents, the project applicant will submit to the City a list of measures to respond to and track complaints pertaining to construction noise. These measures will include:</p> <ul style="list-style-type: none"> • Signs will be posted at the construction site that include permitted construction days and hours, a day and evening contact number for the job site, and a contact number with the City of Alameda in the event of noise complaints. The project applicant will designate an onsite complaint and enforcement manager to track and respond to noise complaints; and • Notification of neighbors within 300 feet of the project construction area at least 30 days in advance of pile-driving activities about the estimated duration of the activity. | <p>Project applicant and its contractor(s) shall post construction information and track complaints pertaining to construction noise</p> | <p>City of Alameda Community Development Department</p> | <p>Review construction specifications to ensure conformance; inspection to ensure conformance</p> | <p>Prior to issuance of building permit(s)</p> | |
| <p>Mitigation Measure 4-G-2: Implement Mitigation Measures 4-G-1a through 4-G-1d.</p> | <p>See Mitigation Measures 4-G-1a through 4-G-1d.</p> | <p>City of Alameda</p> | <p>City shall ensure that</p> | <p>During design phase and</p> | |
| <p>Mitigation Measure 4-G-4: (Noise Ordinance) During individual project phase</p> | <p>Project applicant and its</p> | <p>City of Alameda</p> | <p>City shall ensure that</p> | <p>During design phase and</p> | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>design preparation, the City will require a project applicant to comply with the Noise Ordinance and General Plan standards. These measures implement noise control measures to ensure that all non-transportation source operations comply with City standards and will include, but not be limited to, the following:</p> <ul style="list-style-type: none"> The proposed land uses will be designed so that onsite mechanical equipment (e.g., HVAC units, compressors, generators) and area-source operations (e.g., loading docks, parking lots, and recreational-use areas) are located as far as possible and/or shielded from nearby noise sensitive land uses to meet City noise standards. Onsite landscape maintenance equipment will be equipped with properly operating exhaust mufflers and engine shrouds, in accordance with manufacturers' specifications. The following activities will be limited to the hours of 7:00 a.m. to 10:00 p.m. unless site-specific analysis confirms that noise impacts to sensitive receptors would be less-than-significant: <ul style="list-style-type: none"> Truck deliveries; Operations of motor powered landscape maintenance equipment; and Outdoor use of amplified sound systems. | <p>contractor(s) shall incorporate operational noise control measures in project design phase documents.</p> | <p>Community Development Department</p> | <p>design phase documents of individual projects incorporate operational noise control measures.</p> | <p>prior to issuance of building permit(s)</p> | |
| <p>H. Geology, Soils, and Seismicity</p> <p>Mitigation Measure 4.H-1: (Geotechnical Investigation) Prior to approval of a building permit, a site specific, design-level geotechnical investigation shall be prepared for all proposed development on the project site. The investigation shall include detailed characterization of the distribution and compositions of subsurface materials and an assessment of their potential behavior during violent seismic ground-shaking. The analysis shall recommend site preparation and design parameters that would be necessary to avoid or substantially reduce structural damage under anticipated peak ground accelerations in accordance with seismic design requirements within the most current version of the California Building Code and Alameda Municipal Code. The investigation and recommendations shall be in conformance with all applicable city ordinances and policies and consistent with the design requirements of the calculated Seismic Design Category for each site in accordance with the California Building Code. The geotechnical report shall be prepared by a California-registered geotechnical engineer and approved by the City, and all recommendations contained in the report shall be included in the final design of the project.</p> <p>Mitigation Measure 4.H-1 would ensure that the proposed project would be designed to withstand strong seismic ground-shaking, and that the occupants of the proposed development are informed of safety procedures to follow in the event of an earthquake.</p> | <p>Project applicant shall obtain a California-registered geotechnical engineer to conduct design-level geotechnical investigation. Geotechnical engineer shall conduct geotechnical investigation, prepare a report and develop recommendations in accordance to Measure 4.H-1. Engineer shall ensure that recommendations conform to city ordinances and policies.</p> | <p>Project applicant and City of Alameda Community Development Department</p> | <p>City shall review and approve geotechnical report.</p> | <p>Prior to approval of building permit(s)</p> | |
| <p>Mitigation Measure 4.H-2: (Geotechnical Mitigation) Prior to issuance of a building permit, earthwork, foundation and structural design for proposed developments under the project shall be conducted in accordance with all recommendations contained in the required geotechnical investigation (Mitigation Measure 4.H-1a). The investigation must include an assessment of all potentially foreseeable seismically-induced ground failures, including liquefaction, sand boils, lateral spreading and rapid settlement. Mitigation strategies must be designed for the site-specific conditions of the project and must be reviewed for compliance with the guidelines of CCS Special Publication 117A prior to incorporation into the project. Examples of possible strategies include edge containment structures (berms, diked sea walls, retaining structures, compacted soil zones), removal or treatment of liquefiable soils, soil modification, modification of site geometry, lowering the groundwater table, in-</p> | <p>Project applicant shall ensure that geotechnical investigation includes assessment of all potentially foreseeable seismically-induced ground failures, including liquefaction, sand boils, lateral spreading and rapid settlement. Project applicant shall ensure that mitigation strategies are developed consistent with the guidelines of CCS Special Publication 117A.</p> | <p>Project applicant and City of Alameda Community Development Department</p> | <p>Ensure that geotechnical report addresses seismically-induced ground failures listed in the measure. Review and ensure that mitigation strategies are developed consistent with the guidelines of CCS Special Publication 117A.</p> | <p>Review mitigation strategies prior to incorporation into the project. Prior to issuance of building permit(s).</p> | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>situ ground densification, deep foundations, reinforced shallow foundations, and structural design that can accommodate predicted displacements.</p> <p>Mitigation Measure 4.H-4: (Settlement Mitigation)The required geotechnical report for each development project (Mitigation Measure 4.H-1a) shall determine the susceptibility of the project site to settlement and prescribe appropriate engineering techniques for reducing its effects. Where settlement and/or differential settlement is predicted, mitigation measures—such as lightweight fill, geofabric, surcharging, wick drains, deep foundations, structural slabs, hinged slabs, flexible utility connections, and utility hangers—shall be used. These measures shall be evaluated and the most effective, feasible, and economical measures shall be recommended. Engineering recommendations shall be included in the project engineering and design plans, and be reviewed and approved by a registered geotechnical engineer. All construction activities and design criteria shall comply with applicable codes and requirements of the most recent California Building Code, and applicable City construction and grading ordinances.</p> | <p>Project applicant shall ensure that geotechnical investigation assesses the susceptibility of the site to settlement, prescribes engineering techniques for reducing its effects, and includes recommended mitigation measures.</p> <p>Project applicant will include recommendations in project engineering and design plans. Applicant will comply with all applicable codes and requirements during construction.</p> | <p>City of Alameda Community Development Department and registered geotechnical engineer.</p> | <p>Ensure that geotechnical report evaluates susceptibility of the site to settlement and that recommendations and mitigation measures are included.</p> <p>Registered geotechnical engineer will review and approve engineering recommendations.</p> <p>City will ensure that construction activities and design criteria comply with applicable codes and requirements.</p> | <p>During the design and construction phases.</p> | |
| <p>Mitigation Measure 4.H-5: (Expansive Soils Assessment) Prior to issuance of a building permit, subsurface earthwork (e.g., placement of engineered fill), shall be conducted in accordance with all recommendations contained in the required geotechnical investigation (Mitigation Measure 4.H-1). The geotechnical report must include an assessment of all potentially expansive soils that could adversely affect proposed improvements. Geotechnical strategies must be designed for the site-specific conditions of the project and must be reviewed for compliance with the requirements of the most recent California Building Code as well as any additional City of Alameda requirements.</p> | <p>Project applicant will ensure that geotechnical report includes assessment of expansive soils and strategies consistent with most recent California Building Code as well as any additional City of Alameda requirements.</p> | <p>City of Alameda Community Development Department</p> | <p>City will review and approve strategies/recommendations outlined in geotechnical report.</p> | <p>Prior to issuance of building permit(s)</p> | |
| <p>I. Hydrology and Water Quality</p> | | | | | |
| <p>Mitigation Measure 4.I-1: (Water Quality Measures) The City shall ensure that project applicants for projects at Alameda Point implement the following measures as part associated with the extracted water during project construction:</p> <ul style="list-style-type: none"> The RWQCB could require compliance with certain provisions in the permit such as treatment of the flows prior to discharge. The project applicant shall discharge the extracted water to the sanitary sewer or storm drain system with authorization of and required permits from the applicable regulatory agencies, in this case the City of Alameda. The project applicant shall comply with applicable permit conditions associated with the treatment of groundwater prior to discharge. If necessary a dewatering collection and disposal method shall be prepared and implemented for the project. | <p>Project applicant will incorporate water quality measures in the construction specifications.</p> <p>Project applicant will obtain and comply with necessary permits from RWQCB and City of Alameda for any activities requiring discharge of extracted water to the sanitary sewer or storm drain system.</p> | <p>City of Alameda Community Development Department, RWQCB</p> | <p>RWQCB and City will review permit application for activities involving discharge or extracted water necessary during construction activities.</p> <p>Upon approval, City will monitor to ensure compliance with permit conditions.</p> | <p>Prior to construction</p> | |
| <p>Mitigation Measure 4.I-2: (Integrated Pest Management) The City shall ensure that future project applicants implement Integrated Pest Management measures to reduce fertilizer and pesticide contamination of receiving waters, as follows:</p> <ul style="list-style-type: none"> Prepare and implement an Integrated Pest Management Plan (IPM) for all common landscaped areas. The IPM shall be prepared by a qualified professional and shall recommend methods of pest prevention and turf grass management that use pesticides as a last resort in pest control. Types and rates of fertilizer and pesticide application shall be specified. The IPM shall specify methods of avoiding runoff of pesticides and nitrates into receiving storm drains and surface waters or leaching into the shallow groundwater table. Pesticides shall be used only in response to a persistent pest | <p>The Project applicant will incorporate Integrated Pest Management measures into construction specifications. The Project applicant will implement Integrated Pest Management measures including an integrated pest management plan.</p> | <p>City of Alameda Community Development Department</p> | <p>City will ensure that the Integrated Pest Management measures are included in the construction specifications.</p> <p>City will monitor and ensure that Project applicant implements pest management measures.</p> | <p>Prior to construction and after construction.</p> | |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <p>problem that cannot be resolved by non-pesticide measures. Preventative chemical use shall not be employed.</p> <ul style="list-style-type: none"> The IPM shall fully integrate considerations for cultural and biological resources into the IPM with an emphasis toward reducing pesticide application. <p>Mitigation Measure 4.1-8: (Sea-Level Protection) The City shall implement the following steps prior to project implementation:</p> <ul style="list-style-type: none"> Apply for membership in the National Flood Insurance Program (NFIP) Community Rating System (CRS), and as appropriate through revisions to the City Code, obtain reductions in flood insurance rates offered by the NFIP to community residents. Cooperate with FEMA in its efforts to comply with recent congressional mandates to incorporate predictions of sea level rise into its Flood Insurance Studies and FIRM. Implement climate adaptation strategies such as avoidance/planned retreat, enhance levees, setback levees to accommodate habitat transition zones, buffer zones and beaches, expanded tidal prisms for enhanced natural scouring of channel sediments, raising and flood-proofing structures, or provisions for additional floodwater pumping stations, and inland detention basins to reduce peak discharges. | <p>City will incorporate measures into construction plans and specifications.</p> <p>City will implement measures as stated in Measure 4.1-8.</p> | <p>City of Alameda Community Development Department</p> | <p>City shall ensure that structural design and adaptive measures are incorporated in construction plans and specifications.</p> <p>City will monitor to ensure implementation of measures.</p> | <p>Prior to construction.</p> | <p>*Although implementation of this mitigation measure is the responsibility of the City of Alameda, it should be implemented prior to construction of the first new development project at Alameda Point.</p> |
| <p>J. Hazards and Hazardous Materials</p> | | | | | |
| <p>Mitigation Measure 4.J-1a: (Hazardous Building Material Assessment) Prior to issuance of any demolition permit, the project applicant shall submit to the City a hazardous building material assessment prepared by qualified licensed contractors for each structure intended for demolition indicating whether LBP or lead-based coatings, ACMs, and/or PCB-containing equipment are present.</p> | <p>Project applicant will obtain a qualified licensed contractor to prepare and submit a hazardous building material assessment.</p> <p>Qualified contractor will prepare and submit hazardous building material assessment for the Project applicant and City's review.</p> | <p>City of Alameda Community Development Department</p> | <p>City will review the hazardous building material assessment.</p> | <p>Prior to issuance of demolition permit(s).</p> | <p>*This mitigation measure applies only to projects entailing demolition of existing buildings or other structures.</p> |
| <p>Mitigation Measure 4.J-1b: (Health and Safety Plan) If the assessment required by Mitigation Measure 4.J-1a indicates the presence of LBP, ACMs, and/or PCBs, the project applicant shall create and implement a health and safety plan to protect demolition and construction workers and the public from risks associated with such hazardous materials during demolition or renovation of affected structures.</p> | <p>Project applicant will prepare and implement a health and safety plan if Measure 4.J-1 indicates the presence of LBP, ACMs, and/or PCBs.</p> | <p>City of Alameda Community Development Department</p> | <p>City will review health and safety plan.</p> <p>City will monitor to ensure that the health and safety plan is implemented.</p> | <p>Prior to and during construction.</p> | <p>*This mitigation measure applies only to projects entailing demolition of existing buildings or other structures.</p> |
| <p>Mitigation Measure 4.J-1c: (LBP Removal Plan) If the assessment required by Mitigation Measure 4.J-1a finds presence of LBP, the project applicant shall develop and implement a LBP removal plan. The plan shall specify, but not be limited to, the following elements for implementation:</p> <ul style="list-style-type: none"> Develop a removal specification approved by a Certified Lead Project Designer. Ensure that all removal workers are properly trained. Contain all work areas to prohibit offsite migration of paint chip debris. Remove all peeling and stratified LBP on building and non-building surfaces to the degree necessary to safely and properly complete demolition activities according to recommendations of the survey. The demolition contractor shall be responsible for the proper containment and disposal of intact LBP on all equipment to be cut and/or removed during the demolition. Provide onsite personnel and area air monitoring during all removal activities to ensure that workers and the environment are adequately protected by the control measures used. | <p>Project applicant will prepare and implement a LBP removal plan if LBP is found present.</p> | <p>City of Alameda Community Development Department</p> | <p>City will review LBP removal plan.</p> <p>City will monitor to ensure that LBP removal plan is implemented.</p> | <p>Prior to construction and during construction.</p> | <p>*This mitigation measure applies only to projects entailing demolition of existing buildings or other structures.</p> |

| Mitigation Measures | Implementation Procedures | Monitoring Responsibility | Monitoring and Reporting Action | Mitigation Schedule | Notes |
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| <ul style="list-style-type: none"> Clean up and/or vacuum paint chips with a high efficiency particulate air (HEPA) filter. Collect, segregate, and profile waste for disposal determination. <p>Properly dispose of all waste.</p> | <p>If asbestos is found upon implementation of Mitigation Measure 4.J-1a, Project applicant will prepare an asbestos abatement plan.</p> <p>Project applicant will obtain a state-certified asbestos consultant to prepare the asbestos plan.</p> <p>State-certified asbestos consultant will ensure that all ACMs are removed and appropriately disposed of.</p> | <p>City of Alameda Community Development Department</p> | <p>City will review and shall approve the asbestos abatement plan. Ensure that abatement of known or suspected ACMs are removed by a state certified asbestos contractor.</p> | <p>Prior to building demolition activities, and during demolition work.</p> | <p>*This mitigation measure applies only to projects entailing demolition of existing buildings or other structures.</p> |
| <p>Mitigation Measure 4.J-1e: (PCB Abatement) If the assessment required by Mitigation Measure 4.J-1a finds PCBs, the project applicant shall ensure that PCB abatement is conducted prior to building demolition or renovation. PCBs shall be removed by a qualified contractor and transported in accordance with Caltrans requirements.</p> | <p>If PCBs are found upon implementation of Mitigation Measure 4.J-1a, Project applicant will obtain a qualified contractor to implement PCB abatement. Qualified contractor will remove PCBs and will transport in accordance with Caltrans requirements.</p> | <p>City of Alameda Community Development Department</p> | <p>City will ensure that PCB abatement measure is incorporated in construction plans and specifications. City will monitor and ensure that PCB abatement measures are implemented.</p> | <p>Prior to and during building demolition or renovation work.</p> | <p>*This mitigation measure applies only to projects entailing demolition of existing buildings or other structures.</p> |
| <p>Mitigation Measure 4.J-2: (Site Management Plan) Prior to issuance of a building or grading permit for any ground breaking activities within the project site, the City shall prepare a Site Management Plan (SMP) that is approved by US EPA, DTSC, and the Water Board for incorporation into construction specifications. Any additional or remaining remediation on identified parcels from the City's tracking system shall be completed as directed by the responsible agency, U.S. EPA, DTSC, or Water Board, in accordance with the deed restrictions and requirements as well as any Covenant(s) to Restrict Use of Property (CRUP), prior to commencement of construction activities. Where necessary, additional remediation shall be accomplished by the project applicant prior to issuance of any building or grading permits in accordance with all requirements set by the overseeing agency (i.e., U.S. EPA, DTSC, or Water Board). The SMP shall be present on site at all times and readily available to site workers. The SMP shall specify protocols and requirements for excavation, stockpiling, and transport of soil and for disturbance of groundwater as well as a contingency plan to respond to the discovery of previously unknown areas of contamination (e.g., discolored soils, strong petroleum odors, an underground storage tank unearthed during normal construction activities, etc.). At a minimum the SMP shall include the following components:</p> | <p>City and Project applicant shall prepare a Site Management Plan (SMP) for U.S. EPA, DTSC, or State Water Resources Control Board's (Water Board) approval. City and Project applicant shall implement additional or remaining remediation efforts from the City's tracking system and as directed by the U.S. EPA, DTSC, or Water Board. City will implement measures contained in the approved SMP.</p> | <p>City of Alameda Community Development Department and U.S. EPA, DTSC, or Water Board.</p> | <p>The City, U.S. EPA, DTSC, or Water Board will review SMP and ensure SMP is incorporated into construction specifications. City and the overseeing agency will ensure that Project applicant implements additional remediation requirements based on those established by overseeing agency as well as any Covenants to Restrict Use of Property (CRUP). The City and the overseeing agency will ensure that the SMP is present on site at all</p> | <p>Prior to issuance of a building or grading permit</p> | |
| <p>1. <i>Soil management requirements:</i> Protocols for stockpiling, sampling, and transporting soil generated from onsite activities. The soil management requirements must include:</p> <ul style="list-style-type: none"> Soil stockpiling requirements such as placement of cover, application of moisture, erection of containment structures, and implementation of security measures. Additional measures related to BAAQMD dust control requirements | | | | | |

| Mitigation Measures | Implementation Procedures | Monitoring and Reporting Action | Monitoring Responsibility | Mitigation Schedule | Notes |
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| <p>as they apply to contamination shall also be included, as needed (see also Air Quality section).</p> <ul style="list-style-type: none"> • Protocols for assessing suitability of soil for onsite reuse through representative laboratory analysis of soils as approved by U.S. EPA, DTSC, or Water Board, taking into account the site-specific health-based remediation goals, other applicable health-based standards, and the proposed location, circumstances, and conditions for the intended soil reuse. • Requirements for offsite transportation and disposal of soil not determined to be suitable for onsite reuse. Any soil identified for offsite disposal must be packaged, handled, and transported in compliance with all applicable state, federal, and the disposal facility's requirements for waste handling, transportation and disposal. • Protocols for adherence to the City of Alameda's Marsh Crust Ordinance. • Measures to be taken for areas of IR Site 13 where refinery wastes and asphaltic residues known as tarry refinery waste might be encountered. Measures shall include requirements for the storage, handling and disposal/recycling of any suspected tarry refinery waste that may be encountered. • Radiological screening protocols for the radiological sites identified by the Navy as approved by the U.S. EPA, where necessary. | | | | | |
| <p>2. <i>Groundwater management requirements.</i> Protocols for conducting dewatering activities and sampling and analysis requirements for groundwater extracted during dewatering activities. The sampling and analysis requirements shall specify which groundwater contaminants must be analyzed or how they will be determined. The results of the groundwater sampling and analysis shall be used to determine which of the following reuse or disposal options is appropriate for such groundwater:</p> <ul style="list-style-type: none"> • Onsite reuse (e.g., as dust control); • Discharge under the general permit for stormwater discharge for construction sites; • Treatment (as necessary) before discharge to the sanitary sewer system under applicable East Bay MUD waste discharge criteria; • Treatment (as necessary) before discharge under a site-specific NPDES permit; • Offsite transport to an approved offsite facility. <p>For each of the options listed, the SMP shall specify the particular criteria or thresholds used must, at a minimum, be consistent with the applicable requirements of the Water Board and East Bay MUD.</p> <p>3. <i>Unknown contaminant/hazard contingency plan.</i> Procedures for implementing a contingency plan, including appropriate notification, site worker protections, and site control procedures, in the event unanticipated potential subsurface hazards or hazardous material releases are discovered during construction. Control procedures shall include:</p> <ul style="list-style-type: none"> • Protocols for identifying potential contamination through visual or olfactory observation; • Protocols on what to do in the event an underground storage tank is encountered; • Emergency contact procedures; • Procedures for notifying regulatory agencies and other appropriate parties; • Site control and security procedures; • Sampling and analysis protocols; and | | | | | |

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2019-26

**APPROVE SEAPLANE LAGOON FERRY TERMINAL OPERATING AGREEMENT,
BILL OF SALE AND LICENSE AGREEMENT WITH THE CITY OF ALAMEDA**

WHEREAS, WETA and the City of Alameda entered into the Seaplane Lagoon Ferry Service Project Memorandum of Understanding (MOU) to establish the framework for development of a future Seaplane Lagoon Ferry Terminal and new ferry service connecting Alameda Point and San Francisco on April 7, 2016; and

WHEREAS, the MOU identified roles and responsibilities related to securing project funds, operating services, and terminal asset control and ownership; and

WHEREAS, in further support of the project, on September 6, 2018, the WETA Board approved providing a \$2 million contribution towards the terminal construction cost in order to close a funding gap in the \$22 million project and keep it moving forward; and

WHEREAS, at the November 7, 2019 WETA Board meeting, the Board received an item that outlined staff's recommended approach to "leaning forward" to move several priority projects forward in the near-term while RM3 funds remain unavailable by utilizing surplus carryover funds and targeted efforts to secure new funds; and

WHEREAS, as a part of this report staff recommended prioritizing use of surplus carryover funds to support initiating new Seaplane Lagoon ferry service in August 2020; and

WHEREAS, staff further recommended, and the Board supported, moving forward to initiate new Seaplane Lagoon Service Alternative 3 – Comprehensive Service Restructure, which will implement a robust (every 30-minutes) peak-period service from Seaplane Lagoon by shifting peak-period Alameda service from the current Main Street Alameda terminal to Seaplane Lagoon; and

WHEREAS, an Operations Agreement specifies the terms and conditions for WETA to take ownership of the new terminal waterside assets and begin operations at the Seaplane Lagoon Ferry Terminal; and

WHEREAS, a Bill of Sale Agreement transfers ownership of certain waterside terminal assets – Float, Gangway, Float-supporting Pilings --from the City of Alameda to WETA, and;

WHEREAS, a License Agreement is an interest in real property owned by the City of Alameda, and; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves the Seaplane Lagoon Operating Agreement, Bill of Sale Agreement and License Agreement with the City of Alameda and authorizes the Executive Director to execute these agreements and take other such actions as may be necessary to

support establishment of new ferry service operations at the new Seaplane Lagoon Ferry Terminal beginning in August 2020.

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 December 12, 2019.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2019-26

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Thomas Hall, Public Information & Marketing Manager

SUBJECT: Alameda/Oakland - Seaplane Lagoon Service Changes Outreach

Recommendation

This is an information item.

Background

With the help of Civic Edge Consulting, WETA staff conducted a passenger engagement campaign in October 2019 to gauge current barriers experienced by Alameda and Oakland ferry riders and receptiveness to potential changes to improve Alameda/Oakland service via a major service switch integrating the upcoming Seaplane Lagoon Ferry Terminal. The primary instrument of the campaign was a digital and print survey that more than 500 passengers completed.

We found that a few major barriers – lengthy queues, the potential of getting left behind due to maximum capacity being reached and parking at the Main Street Alameda terminal – have a significant influence on current Alameda ferry commuters. The comprehensive service restructure (Service Alternative 3) endorsed by the Board of Directors at its November 7, 2019 meeting, which restructures Alameda/Oakland service in conjunction with establishing new Seaplane Lagoon service in August 2020, would improve the experience as it relates to these factors. We also found general receptiveness to the specific changes proposed, with a majority of respondents indicating Seaplane Lagoon will be easier to access than Main Street Alameda after reviewing a map of the locations relative to residential areas.

Response from frequent and occasional Oakland ferry riders supported staff's belief of substantial demand for direct Oakland service made possible by the Seaplane Lagoon integration.

Next Steps

Upon Board approval of the Operating and License agreements with the City of Alameda for the new Seaplane Lagoon terminal and service operations, WETA staff, its consultants and its partners will work aggressively to ramp up passenger outreach in Alameda and Oakland in anticipation of the Summer 2020 service changes.

WETA staff acknowledges that such major service changes will require thoughtful, robust and resource-intensive outreach to current ferry riders and potential new passengers. It will also require a strong team effort with partners in the City of Alameda and an open, ongoing dialogue with passengers.

In addition to basic information such as service timetables, the key messages our Alameda outreach campaign will focus on include:

- Increased capacity on Alameda commute ferries
- Improved transit and bicycle connectivity
- Improving parking facilities

Our Oakland outreach campaign will resemble the Richmond ferry marketing effort, focused on commuters in the Jack London Square area and working with local transit providers to highlight existing connections.

Some of the tools we plan to use for the outreach campaigns include:

- A standalone website focused on service changes in Alameda
- Onboard pop-up workshops on Alameda and Oakland ferries
- Signage at the Main Street Alameda terminal
- Ambassadors at the Alameda, Oakland and Downtown San Francisco terminals
- A comprehensive, methodical public relations campaign
- Paid media in the Oakland market
- Social media and BayAlerts

Staff, consultants and partners will be developing the plan and campaigns with an intent to ramp up outreach in the late winter and spring for service changes in the summer.

Fiscal Impact

WETA's FY 2019/20 Operating Budget includes funding for outreach related to Alameda service changes and enhanced Oakland commute service. Staff is seeking additional RM2 Marketing and Outreach funding from the Metropolitan Transportation Commission (MTC) to enhance its campaign. Staff will also request additional outreach and marketing funding in the FY 2020/21 budget to support the service transition and ongoing marketing and outreach efforts.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Contract Amendments with Mavrik Marine, Inc. and Glosten for Construction of a Second New Commuter Class (Option) Vessel

Recommendation

Approve the following actions related to construction of a second new commuter class (option) vessel to support WETA's ferry service operation:

1. Approve a contract amendment to Agreement 18-007 with Mavrik Marine, Inc. in an amount not to exceed \$12,893,210 to exercise the contract option for construction of a second new commuter class vessel; and
2. Approve a contract amendment to Agreement 18-001 with Glosten in the amount of \$450,000 to provide construction management support for the construction of the option vessel; and
3. Authorize the Executive Director to negotiate and execute the contract amendments and to take any other related actions as may be necessary to support the project; and
4. Authorize a budget increase in the amount of \$14,782,500 to the New Commuter Class High-Speed Vessel project in the FY 2019/20 Capital Budget to support full funding of this project, including vessel construction, construction management, tax and staff costs.

Background

At the November 7, 2019 WETA Board meeting, the Board received an item that outlined staff's recommended approach to "leaning forward" to move several priority projects forward in the near-term while Regional Measure 3 (RM3) funds remain unavailable by utilizing surplus carryover funds and targeted efforts to secure new funds. These projects included advancing three expansion services in development, including Seaplane Lagoon, Mission Bay and Treasure Island, and moving forward with the construction of a second new 300 passenger high speed vessel under option with Mavrik Marine, Inc (Mavrik). At the meeting, the Board offered support for moving forward with the Mavrik option vessel in order to shore up WETA's fleet and be in a position to lean forward quickly as demand grows and new operating funds are made available.

Discussion

Option Vessel

On October 4, 2018, as the result of a competitive Best Value procurement process, the WETA Board approved a contract with Mavrik Marine, Inc. (Mavrik) for construction of a 300-passenger high-speed commuter class vessel. This vessel was designed to have widespread utility to be used as a regular or back-up vessel for existing services and to support expansion services planned for Richmond, Seaplane Lagoon and Mission Bay. Construction of this vessel is

currently underway and is on schedule for completion in Spring 2020. WETA staff and our construction management team have been impressed with the quality of the work performed by Mavrik to date and are confident that the vessel will meet the contract requirements.

The project Request for Proposals (RFP) included a request for pricing for an option vessel that could be exercised at a later date in coordination with the contractor. This option was built into the original RFP in order to provide WETA with the ability to move quickly to build a second vessel to meet growing demand for services if RM3 or other vessel construction funds became available.

As a part of the terms of the awarded contract, Mavrik agreed to hold the proposed price for the option vessel until January 31, 2019, and to limit cost increases for the option vessel to documented increases in its material costs in the event that WETA desired to exercise the option after January 31, 2019. Per the agreement, Mavrik is required to provide sufficient documentation of any proposed cost increases to show that its actual material costs have increased in the time between the effective date of the agreement and WETA's exercise of the option.

Staff has informed Mavrik of WETA's interest in pursuing the option vessel and Mavrik has provided a price quote for this vessel and the required documentation to support relevant cost escalation. Mavrik's proposal and documentation has been reviewed and a cost analysis of the price escalations was completed. Escalation for the cost of the option vessel has increased 0.6% from the original proposal. Based upon this review, staff has found Mavrik's proposed option vessel price to be fair and reasonable, and it meets the terms of the agreement.

Construction Management

On March 1, 2018, as the result of a competitive RFP process, the Board awarded a contract to Glosten for construction management services for the new commuter class ferry. The work under this contract includes such items as vessel design review, technical specifications preparation, vessel construction management oversight, and warranty administration. The construction management contract work scope and award amount is currently limited to supporting the construction of the first vessel and will need to be amended to include construction management services for the option vessel.

Recommended Contract Amendments and Project Budget

Staff recommends that the Board of Directors approve a contract amendment to Agreement 18-007 with Mavrik for the construction of the option vessel in an amount up to \$12,893,210. This includes funds for a contingency allowance of \$375,500, approximately 3%, for additive changes for work not yet identified but that may be necessary to satisfactorily complete the project.

Staff further recommends that the Board of Directors approve a contract amendment to Agreement 18-001 with Glosten for construction management services for the option vessel in the amount of \$450,000. This amounts to 62% of the original construction management contract, which represents a fair and reasonable estimate of the effort required to oversee the construction of a second vessel.

The overall budget for the Option Vessel, including Mavrik and Glosten contracts and other project costs is summarized below in Table 1.

Table 1: Project Budget

| Description | Project Budget | | |
|--|---------------------|---------------------|---------------------|
| | Vessel #1 | Vessel #2 | Total |
| Mavrik Marine, Inc. | \$13,154,600 | \$12,893,210 | \$26,047,810 |
| <i>Vessel Base Price</i> | 12,279,381 | 11,896,184 | 24,175,565 |
| <i>Option Items</i> | 410,223 | 621,526 | 1,031,749 |
| <i>Spare Parts</i> | 80,000 | - | 80,000 |
| <i>Contingency Allowance (approx. 3%)</i> | 384,996 | 375,500 | 760,496 |
| Estimated Use Tax Due | 1,215,400 | 1,289,290 | 2,504,690 |
| Glosten - Construction Management Services | 730,000 | 450,000 | 1,180,000 |
| WETA Project Administration | 200,000 | 150,000 | 350,000 |
| Total Project Budget | \$15,300,000 | \$14,782,500 | \$30,082,500 |

Fiscal Impact

The FY 2019/20 Capital Budget includes \$15,300,000 to build one New Commuter Class High-Speed Vessel for WETA's services. A capital budget increase in the amount of \$14,782,500, to be funded with State Proposition 1B grant funds, proceeds from the sale of the MV *Encinal* and MV *Vallejo* and State Transit Assistance funds is required to fully fund the construction of the optional second vessel.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2019-27

APPROVE CONTRACT AMENDMENTS WITH MAVRIK MARINE, INC. AND GLOSTEN FOR CONSTRUCTION OF A SECOND NEW COMMUTER CLASS (OPTION) VESSEL

WHEREAS, San Francisco Bay Area Water Emergency Transportation Authority (WETA) has established the new medium sized high-speed passenger commuter class vessel as a part of its FY 2017/18 Capital Budget and program of projects; and

WHEREAS, on January 2, 2018, WETA issued a Request for Qualification (RFQ) to solicit proposals from qualified firms to assist with vessel design and specifications preparation, vessel construction management oversight, and warranty administration once the vessel is put into service; and

WHEREAS, WETA awarded a contract to Glosten for construction management services at the March 1, 2018 Board of Director's meeting; and

WHEREAS, on June 26, 2018, WETA issued a Request for Proposals (RFP) for the construction of the new commuter class ferry; and

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

WHEREAS, WETA awarded a Contract to Mavrik Marine, Inc. at the October 4, 2018 Board of Director's meeting that included provisions for an option vessel; and

WHEREAS, WETA has a need to construct an additional commuter class vessel to support its service operation and growing demand for services; and

WHEREAS, WETA staff has evaluated the cost proposal submitted for this option vessel and, as a result, recommends the exercise of the option and a related contract amendment to Agreement 18-007 with Mavrik Marine, Inc. in an amount not to exceed of \$12,893,210, including owner's contingency, to complete this project; and

WHEREAS, WETA desires to utilize the services of Glosten to support construction management of the option vessel and proposes a contract amendment for this work in an amount not to exceed \$450,000. Now, therefore, be it

RESOLVED, that the Board of Directors hereby approves a contract amendment to Agreement 18-007 with Mavrik Marine, Inc. in an amount not to exceed \$12,893,210, to exercise the contract option for construction of a second new commuter class vessel; and be it further

RESOLVED, that the Board of Directors hereby approves a contract amendment to Agreement 18-001 with Glosten in the amount of \$450,000 to provide construction management support for the construction of the option vessel; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute the contract amendments and to take any other related actions as may be necessary to support the project; and be it further

RESOLVED, that the Board of Directors authorizes a budget increase in the amount of \$14,782,500 to the New Commuter Class High-Speed Vessel project in the FY 2019/20 Capital Budget to support full funding of this project.

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 December 12, 2019.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2019-27

END