



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

April 7, 2008

RECEIVED

APR 09 2008

**COMMISSION ON
STATE MANDATES**

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

As requested in your letter of March 6, 2008, the Department of Finance (Finance), has reviewed the test claim submitted by the City of Vallejo (claimant), asking the Commission to determine whether specified costs incurred under Chapter 734, Statutes of 2007, are reimbursable state mandated costs under Claim No. CSM-07-TC-07, "Ferry Assets." The claimant has identified the following costs, which it asserts are reimbursable state mandates:

1. Staff assistance related to the transfer of assets.
2. Capital Assets, Replacement Costs.
3. Future Capital Projects, Estimated Project Costs.
4. General Fund Transfers.

As a result of our review, Finance has concluded that the test claim legislation does not impose a reimbursable state mandate on local agencies within the meaning of Section 6 of Article XIII B of the California Constitution. The majority of the declared costs associated with the test claim statutes are related to the loss of capital assets and are not the result of a new program or higher level of service required of the claimant. While claimant asserts Section 3 of Article XIII B of the California Constitution provides an adjustment mechanism for the appropriations limit of an agency when transferring responsibilities, this is not an activity within the Commission's jurisdiction.

Further, any staff costs related to the transfer of assets can not be found to be reimbursable at this time, as the declarations of Crystal Odum-Ford (Transportation Superintendent), Gary Leach (Public Works Director), and Edwin Gato (Financial Administrative Analyst), reference "Exhibit A," which shows that no staff costs had been incurred at the time of the test claim filing. Additionally, the declaration of Claudia Quintana (Assistant City Attorney), states that the implementation of SB 976 had not occurred at the time of the test claim filing.

Finance believes that, as of the date of our comments, no potentially reimbursable activity associated with the transfer of assets has been performed by claimant. The test claim statutes established the San Francisco Bay Area Water Emergency Transportation Authority (WETA) to replace the San Francisco Bay Area Water Transit Authority (WTA). Pursuant to Section 66540.12 of the Government Code, WETA shall be governed by a board of five members. Three members are to be appointed by the Governor and subject to confirmation by the Senate. These members were appointed on March 20, 2008. One member is to be appointed by the Senate Committee on Rules, and one member is to be appointed by the Speaker of the

Ms. Paula Higashi
April 7, 2008
Page 2

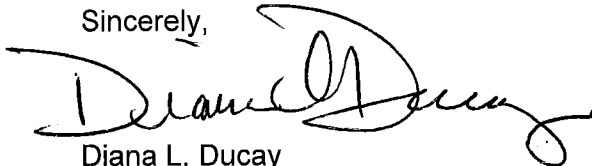
Assembly. Section 66540.32 of the Government Code requires WETA to create and adopt an emergency water transportation system management plan for water transportation services on or before July 1, 2009, and a transition plan to facilitate the transfer of existing public transportation ferry services within the bay area region on or before January 1, 2009. At least 45 days prior to the adoption of these plans, WETA must provide a copy of the plans to each city and county in the bay area region. A review of the agenda for the March 31, 2008 meeting of WETA did not indicate that any proposed plans were distributed for comment.

Finance is unaware of any administrative costs yet incurred, but notes that subdivision (e) of Section 66540.11 of the Government Code requires reasonable administrative costs incurred by the other public transportation ferries and related water transportation services and facilities related to the transfer of assets to be borne by WETA.

As required by the Commission's regulations, a "Proof of Service" has been enclosed indicating that the parties included on the mailing list which accompanied your March 6, 2008 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana L. Ducay". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Diana L. Ducay
Program Budget Manager

Enclosures

Attachment A

DECLARATION OF CARLA CASTAÑEDA
DEPARTMENT OF FINANCE
CLAIM NO. CSM-07-TC-07

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. We concur that the Chapter 734, Statutes of 2007, sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true. As to the attachments included with this filing, I certify they are authentic copies downloaded from the websites of the Office of the Governor (www.gov.ca.gov) and the San Francisco Bay Area Water Emergency Transportation Authority (www.watertransit.org).

April 7, 2008
at Sacramento, CA

Carla Castañeda
Carla Castañeda

PROOF OF SERVICE

Test Claim Name: Ferry Assets
Test Claim Number: CSM-07-TC-07

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 12 Floor, Sacramento, CA 95814.

On April 7, 2008, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 12 Floor, for Interagency Mail Service, addressed as follows:

A-16

Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

Ms. Harmeet Barkschat
Mandate Resource Services
5325 Elkhorn Boulevard, #307
Sacramento, CA 95842

Mr. Steve Smith
Steve Smith Enterprises, Inc.
3323 Watt Avenue, #291
Sacramento, CA 95821

Ms. Annette Chinn
Cost Recovery Systems Inc.
705-2 East Bidwell Street, #294
Folsom, CA 95630

B-08

Ms. Ginny Brummels
State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Mr. David Wellhouse
David Wellhouse & Associates, Inc.
9175 Kiefer Boulevard, Suite 121
Sacramento, CA 95826

B-08

Mr. Jim Spano
State Controller's Office
Division of Audits
300 Capitol Mall, Suite 518
Sacramento, CA 95814

A-15

Ms. Susan Geanacou
Department of Finance
915 L Street, Suite 1190
Sacramento, CA 95814

Mr. J. Bradley Burgess
Public Resource Management Group
895 La Sierra Drive
Sacramento, CA 95864

Mr. Allan Burdick
MAXIMUS
4320 Auburn Boulevard, Suite 2000
Sacramento, CA 95841

Mr. Leonard Kaye, Esq.
County of Los Angeles
Auditor – Controller's Office
500 West Temple Street, Room 603
Los Angeles, CA 90012

A-15
Ms. Carla Castaneda
Department of Finance
915 L Street, 11th Floor
Sacramento, CA 95814

Mr. Glen Everroad
City of Newport Beach
3300 Newport Boulevard
P.O. Box 1768
Newport Beach, CA 92659

Ms. Bonnie Ter Keurst
County of San Bernardino
Office of the Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

Mr. David Zochetti
Office of Emergency Services
3650 Shriever Avenue
Mather, CA 95655-4203

Mr. Christopher McKenzie
League of California Cities
1400 K Street, #400
Sacramento, CA 95814

Mr. Frederick G. Soley
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Ms. Francis F. Chin
Metropolitan Transportation Commission
101 Eight Street
Oakland, CA 94607

On I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on April 7, 2008 at Sacramento, California.



Kelly Montelongo



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

PRESS RELEASE

03/20/2008 GAAS:141:08 FOR IMMEDIATE RELEASE

Governor Schwarzenegger Announces Appointments to San Francisco Bay Area Water Emergency Transportation Authority

Governor Arnold Schwarzenegger today announced the appointments of Charlene Haught Johnson as chair, Anthony Intintoli Jr. as vice chair and Gerald Bellows as a member of the San Francisco Bay Area Water Emergency Transportation Authority.

"We all know how quickly ground transportation can break down in an earthquake or serious disaster making water transit so vital," said Governor Schwarzenegger. "The San Francisco Bay Area Water Emergency Transportation Authority is a critical part of making the Bay area better prepared for such an emergency. I am confident the people appointed today will work to ensure that the people of the Bay area are safer by expanding the region's emergency preparedness capability."

Johnson, 62, of Colma, served as president of the San Francisco Bay Area Water Transit Authority from 2000 to December 2007. In this capacity, she was actively involved with Interferry, an international trade organization of ferry service providers, and the Passenger Vessel Association, which represents domestic ferry operators. Johnson has served as partner and attorney for the San Francisco based law firm, Hallisey and Johnson, formerly O'Brien and Hallisey, since 1974. She is a graduate of the University of California Hastings College of the Law. Johnson is a Democrat.

Intintoli, 69, of Vallejo, served on the San Francisco Bay Area Water Transit Authority from 2000 to December 2007. He served as mayor of Vallejo from 1987 to 1995 and 1999 to 2007. Intintoli also served on the Vallejo City Council from 1977 to 1985. From 1996 to 2002, he was a GED teacher at the Vallejo Adult School and, from 1981 to 1995, was a teacher of English, Spanish and history at Hogan High School. From 1977 to 1981, Intintoli was a teacher at St. Patrick St. Vincent High School. Prior to that, for two years, he taught business law and Hispanic civilization as an adjunct instructor at Napa Valley College and Solano Community College. Intintoli served as a legal officer in the Judge Advocate General's Department of the U.S. Air Force Reserve from 1965 to his retirement as a lieutenant colonel in 1998 and served as an attorney in private practice from 1968 to 1977. He served as chair of the Solano Transportation Authority in 2007 and is a past member of the California Defense Conversion Council, Solano County Mayors' Committee and Solano County Board of Education. Intintoli is also past president of the League of California Cities North Bay Division and past chair of the Vallejo Redevelopment Agency and the Base Reuse Committee of the Defense Conversion Council. He currently is a member of the board of directors of the Solano County Children's Network and the St. Patrick St. Vincent High School Advisory Board. Intintoli is a Democrat.

Bellows, 58, of Berkeley, has served as logistics management officer for the U.S. Maritime Administration since 2007. From 2004 to 2007, he was a consultant for Smooth Sailing Incorporated and, from 1996 to 2007, served as chief engineer and assistant engineer for Patriot Contract Services, Mormac Company and Marine Transport Lines. Previously, Bellows was an assistant engineer for American President Lines from 1985 to 1996 and an associate professor of engineering at the California Maritime Academy from 1982 to 1985. Prior to that, he was an assistant engineer on various container ships including the SS Spirit of Liberty, SS President Roosevelt and SS Santa Mercedes throughout the Pacific and Indian oceans from 1980 to 1982 and worked for the U.S. Department of Defense from 1976 to 1980 as a port and facility engineer. He is a vice president of the Society of Naval Architects and Marine Engineers and a member of the board of directors for the Society of Port Engineers of San Francisco. Bellows is a Republican.

These positions require Senate confirmation and the compensation is \$100 per diem.

In 2007, the Governor signed SB 976 by Senator Tom Torlakson (D-Antioch) which consolidated ferry services in the San Francisco Bay area through the new San Francisco Bay Area Water Emergency Transportation Authority (WETA). WETA plans, manages, operates and coordinates the emergency activities of all water transportation and related facilities within the Bay area region except those owned and operated by the Golden Gate Bridge, Highway and Transportation District. During a state of emergency or a local emergency, the authority will coordinate the emergency activities for all water transportation services in the Bay area region in cooperation with the State Office of Emergency Services, the U.S. Coast Guard, the Federal Emergency Management Agency and the Metropolitan Transportation Commission.

WATER EMERGENCY TRANSPORTATION AUTHORITY

The logo for the Water Emergency Transportation Authority (WETA) features the letters "WETA" in a bold, italicized, sans-serif font. Above the text are three horizontal lines: a solid top line, a wavy middle line, and a solid bottom line.

Members of the Board

Charlene Haught Johnson, Chair
Anthony J. Intintoli, Jr., Vice Chair
Gerald Bellows
Beverly Johnson

MEETING AGENDA FOR THE WETA BOARD OF DIRECTORS

Monday, March 31, 2008, 9:00 A.M. to 12:00 P.M.
Port of San Francisco, Bayside Conference Room
Pier 1 on the Embarcadero, at the foot of Washington Street
San Francisco

AGENDA

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please contact the Board Secretary at least five working days prior to the meeting to ensure availability.

PUBLIC COMMENT The Water Emergency Transportation Authority welcomes comments from the public. Speakers' cards and a sign-up sheet are available. Please forward completed speaker cards to the Board Secretary.

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. Speakers will be allotted no more than three (3) minutes to speak and will be heard in the order of sign-up.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item and will be allotted no more than three (3) minutes to speak. You are encouraged to submit public comments in writing to be distributed to all Directors.

- | | |
|---------------------------------------|--------------------|
| 1. <u>CALL TO ORDER – BOARD CHAIR</u> | Information |
| 2. <u>ROLL CALL</u> | Information |
| 3. <u>REPORT OF BOARD CHAIR</u> | Information |
| 4. <u>REPORTS OF DIRECTORS</u> | Information |
| 5. <u>REPORTS OF STAFF</u> | Information |

Water Emergency Transportation Authority
March 31, 2008 Meeting of the Board of Directors

- | | |
|--|---------------------------|
| 6. <u>INFORMATIONAL PRESENTATION – ONGOING ACTIVITIES</u> | <i>Information</i> |
| a. <u>Existing Services/WTA Plan</u> | |
| b. <u>South San Francisco Ferry Service</u> | |
| c. <u>Berkeley Ferry Service</u> | |
| d. <u>Hercules Ferry Service</u> | |
| e. <u>Richmond Ferry Service</u> | |
| f. <u>Funding</u> | |
| | |
| 7. <u>INFORMATIONAL PRESENTATION – EMERGENCY RESPONSE</u> | <i>Information</i> |
| a. <u>Existing Procedures</u> | |
| b. <u>Existing Ferry Capacity</u> | |
| c. <u>SB 976 Planning Activities</u> | |
| | |
| 8. <u>STATUS OF WTA AGREEMENTS</u> | <i>Information/Action</i> |
| | |
| 9. <u>APPROVAL OF FISCAL YEAR 2007/08 BUDGET</u> | <i>Action</i> |
| | |
| 10. <u>APPROVAL OF ADMINISTRATIVE CODE</u> | <i>Action</i> |
| | |
| 11. <u>APPROVAL OF HUMAN RESOURCES GUIDE</u> | <i>Action</i> |
| | |
| 12. <u>ESTABLISHMENT OF STANDING COMMITTEES</u> | <i>Action</i> |
| | |
| 13. <u>PROPOSITION 1B SPENDING PRIORITIES</u> | <i>Information/Action</i> |
| | |
| 14. <u>RECESS INTO CLOSED SESSION – APPOINTMENT OF EXECUTIVE DIRECTOR AND GENERAL COUNSEL</u> | <i>Action</i> |
| Pursuant to Government Code Section 54954.5, Public Employee Appointment/Employment/Performance/ Discipline/Dismissal/ Release | |
| | |
| 15. <u>REPORT ON CLOSED SESSION</u> | <i>Action</i> |
| Report on closed session as required; potential action regarding closed session discussions | |
| | |
| 16. <u>OPEN TIME FOR PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</u> | |
| | |
| <u>ADJOURNMENT</u> | |

Water Emergency Transportation Authority (WETA) meetings are wheelchair accessible. Upon request WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. Please send a written request to email@watertransit.org or call (415) 291-3377 at least five (5) days before the meeting. Under Cal. Gov't. Code sec. 84308, Directors are reminded that they must disclose on the record of the proceeding any contributions received from any party or participant in the proceeding in the amount of more than \$250 within the preceding 12 months. Further, no Director shall make, participate in making, or in any way attempt to influence the decision in the proceeding if the Director has willfully or knowingly received a contribution in an amount of more than \$250 within the preceding 12 months from a party or such party's agent, or from any participant or his or her agent, provided, however, that the Director knows or has reason to know that the participant has a financial interest in the decision. For further information, Directors are referred to Gov't. Code sec. 84308 and to applicable regulations.

SAN FRANCISCO BAY AREA WATER TRANSIT AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(October 25, 2007)

The Board of Directors of the San Francisco Bay Area Water Transit Authority met in regular session at the Port of San Francisco, Bayside Conference Room, Pier 1 on the Embarcadero, San Francisco, CA.

President Charlene Haught Johnson noted a quorum of the Board was not met at 1:30 p.m. and directed staff to present Agenda Item Number 16, Antioch Presentation. Mr. Victor Carneiglia, City of Antioch, gave a PowerPoint Presentation on Antioch ferry service.

1. REPORT OF BOARD PRESIDENT

President Johnson reported on Interferry and Fast Ferry Conferences in Europe attended by Board and staff members.

2. REPORT OF DIRECTORS

Directors Secchitano and Withington added to the comments of President Johnson on the Europe conferences attended by Board and staff members.

3. REPORTS OF STAFF

CEO Steve Castleberry reviewed the CEO report highlighting the following issues:

- South San Francisco – Progress is being made on the SSF service projects as reported later in the meeting (see below)
- Berkeley – An administrative draft of the EIR is due next month for Berkeley/Albany
- Conferences – The Fast Ferry and Interferry Conferences in Europe were attended by staff and Board members
- American Public Transit Association Annual Conference – staff attended and moderated at the ferry operators committee was held during the conference
- A meeting of the Transit Advocates of San Mateo County was held on October 24
- The State lobbyist's legislative report indicates issues to be resolved in SB 976
- * • This meeting is the last Director Intintoli will attend as Mayor of Vallejo

4 INFORMATIONAL PRESENTATION (Item 17)

Mayor Rob Schroeder, City of Antioch, gave a PowerPoint Presentation on the status of ferry service to Antioch.

President Johnson asked the population of Antioch and if most residents work outside of Antioch. Mr. Schroeder answered that of the 37,000 Antioch residents, most do work in Oakland and San Francisco or rely heavily on the Capital Corridor to commute.

Director Mancinelli asked if the original ferry service operation ceased due to declining ridership. Mr. Schroeder answered that he believes that commuters found a more direct commute taking the Bay Bridge, but new service would be encouraged by increased development and overcrowded highways as well as access to the Veterans Hospital in an emergency response situation.

Directors Secchitano and Boro arrived at approximately 2:00 pm.

5 ROLL CALL AND CALL TO ORDER

A meeting of the Board of Directors began at 2:00 p.m. Directors present were President Johnson, Directors Boro, Intintoli, Mancinelli, Secchitano, Wagner and Withington. A quorum was reached.

4. CONSENT CALENDAR (Items 6 and 7)

Director Intintoli moved to approve the item. Director Withington seconded the motion and the item carried unanimously.

5 CLOSED SESSION REPORT

President Johnson reported that no action was taken in closed session.

6 ACTIONS RELATED TO TRANSITIONING FROM LOCAL GOVERNMENT SERVICES TO DIRECT SERVICES (Item 10A – 10D)

Ms. Nina Rannells, Grants Manager, reviewed the particulars of transitioning from LGS to WTA direct hire employment as noted in the memoranda, including contracting with ADP for payroll processing, joining CalPERS retirement system, participating in CalPERS health benefit program and employee benefit insurance plans.

A motion to approve Item 10A was made by Director Intintoli, seconded by Director Secchitano and approved unanimously.

A motion to approve Item 10B was made by Director Withington, seconded by Director Secchitano and approved unanimously.

A motion to approve Item 10C was made by Director Intintoli, seconded by Director Mancinelli and approved unanimously.

President Johnson noted that Item 10D would be deferred to the next Board meeting.

7 APPROVAL OF LETTER OF INTENT, NEGOTIATION OF AN AGREEMENT AND ISSUE LETTER OF AWARD FOR SOUTH SAN FRANCISCO VESSELS

Ms. Mary Frances Culnane, Manager of Marine Engineering, reviewed this item, noting that the vessels will be T-boats with a capacity of 149-passengers according to the Board approved designs. She also noted that federal funding set aside for the fuel cell boat project will likely be released to aid funding vessel construction and that the delivery dates of April 08 and December 08 for the vessels are on schedule.

Director Intintoli made a motion to approve the item. The motion was seconded by Director Secchitano and carried unanimously.

8 SOUTH SAN FRANCISCO SERVICE - AC TRANSIT PROPOSAL (Item 11)

Mr. Castleberry presented this item for approval, noting that staff recommends rejecting the proposal.

Director Withington made a motion to approve the rejection of AC Transit's proposal. Director Intintoli seconded the motion and the item carried unanimously.

9 SOUTH SAN FRANCISCO FUNDING UPDATE (Item 12)

Mr. Castleberry presented this item, noting a lease agreement between the Authority and the San Mateo County Harbor District was reached and that the available San Mateo County sales tax funds for service to Redwood City and South San Francisco is still to be determined.

10 AUTHORIZATION TO APPLY TO MTC FOR \$2.5 MILLION IN RM2 FUNDS FOR CONSTRUCTION OF VESSEL BERTHING FACILITIES (Item 15)

Ms. Rannells presented this item for approval, noting that the funding was allocated through Regional Measure 2 but that MTC needs an application to release the funds for the project.

Director Withington made a motion to approve the item. Director Mancinelli seconded the motion and the item carried unanimously.

PUBLIC COMMENT

Mr. Jerry Grace asked how much money is available for the South San Francisco service project. Mr. Castleberry answered that currently \$41 million is secured for that service.

Directors Wagner and Intintoli departed at 3:30 p.m. The meeting proceeded as a workshop of the Board.

11 AGRICULTURAL/FERRY BUILDING UPDATE

Mr. Boris Dramov, ROMA Design, gave a PowerPoint Presentation on design plans for the Ferry and Agricultural Buildings in San Francisco.

Director Secchitano asked what the construction cost is. Mr. Dramov answered that approximately \$35 million would be needed to make the structure secure and add floats and gangways. There was much discussion about the design and costs associated with the project. Mr. Castleberry noted that the Authority does not currently have resources to complete the project. Mr. Sindzinski added that a cost estimate was done so that the Port will be aware of what is required for the project and to possibly work cooperatively with the Authority on the project in the future.

PUBLIC COMMENT

Mr. Dan Hodapp, Port of San Francisco, said that the Port conducted a study that includes elements for a master plan for the Agricultural and Ferry Buildings, noting that it is a "Complex Transit Terminal", adding that the Port looks forward to working with the Authority on the second phase of the plan and to build relationships with transportation service operators that will serve the project area.

12 OPEN TIME FOR PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Mr. Jerry Grace commented on a new law in Sacramento requiring skateboarders to wear a helmet as a safety measure and encouraged attendees to be aware of the potential dangers of skateboarding without a helmet.

13 ADJOURNMENT

All business having concluded, the meeting was adjourned at 4:00 P.M.

Respectfully Submitted,

A handwritten signature in black ink that reads "Karen Shelver". The signature is written in a cursive, flowing style.

Karen Shelver,
Board Secretary

SAN FRANCISCO BAY AREA WATER TRANSIT AUTHORITY

MINUTES OF THE BOARD OF DIRECTORS MEETING

(September 13, 2007)

The Board of Directors of the San Francisco Bay Area Water Transit Authority met in regular session at the Port of San Francisco, Bayside Conference Room, Pier 1 on the Embarcadero, San Francisco, CA.

1. ROLL CALL AND CALL TO ORDER

A meeting of the Board of Directors began at 12:35 p.m. Directors present were President Johnson, Directors Boro, Fang, Intintoli, Johnson, Mancinelli, Secchitano and Withington.

2. REPORT OF BOARD PRESIDENT

President Johnson reported on the recent Community Advisory Committee meeting and the impact SB 976 will have on that committee going forward.

3. REPORT OF DIRECTORS

No Directors had a report to make.

4. REPORTS OF STAFF

CEO Steve Castleberry reviewed the CEO report highlighting the following issues related to the South San Francisco service:

- The cities of South San Francisco and Redwood City have not reached an agreement on division of the sales tax measure funds.
- Staff is meeting with the San Mateo County OES to discuss the funding allocation.
- Google is investigating new ferry service to Moffatt Field.

Mr. Castleberry reported on the introduction of SB 976 and reviewed the legislation and its impacts on the WTA. Of particular note are the following: a change in number of Directors, agency name change to Water Emergency Transportation Authority (WETA), agency focus modification and the agency's new powers under the legislation.

Mr. Barry Broad, WTA's State Lobbyist, reviewed the timelines associated with SB 976, noting the Governor has until October 20 to take action on the bill, and it is predicted the Governor will sign the bill by that time. Further, he noted the new agency's Board would be appointed as early as January 1, 2008 and the first meeting of the WETA would be held no later than April, 2008. He added that an extensive clean-up bill may be written.

There was much discussion and many concerns expressed about the legislation as written, particularly among the Directors, particularly those Directors whose cities currently operate ferries, and about financial impacts and others. Staff and Mr. Broad provided suggestions on how to move forward with the transition such as contacting Senator Perata to give their concerns about the legislation.

Mr. Castleberry suggested a meeting with the cities of Vallejo and Alameda to discuss potential actions.

PUBLIC COMMENT

Mr. Jerry Grace offered his congratulations on the new legislation, and noting his enjoyment riding the Alameda-Oakland ferry regularly.

President Johnson said the agenda order would be changed to allow for voting to occur earlier in the meeting.

5. SELECTION OF GHIRARDELLI ASSOCIATES FOR SOUTH SAN FRANCISCO FERRY TERMINAL CONSTRUCTION MANAGEMENT SERVICES (Item 10)

Mr. John Sindzinski, Manager, Planning and Development, presented this item for approval, reviewing the services to be provided under this contract.

Director Secchitano asked if there is a prevailing wage requirement. Mr. Sindzinski answered that the contractors hired to do the construction are yet to be determined, but will be paid pursuant to prevailing wage requirements.

PUBLIC COMMENT

Mr. Dan Chow, The Dutra Group, said his company is interested in this contract and asked for a construction timeline. Mr. Sindzinski said those would be provided to him offline.

Director Intintoli moved to approve the item. Director Withington seconded the motion and the item carried unanimously.

Director Fang asked if the WTA has a DBE or local business outreach plan in place. Mr. Castleberry answered that the WTA maintains a DBE Plan and conducts extensive outreach efforts to local businesses. Ms. Shirley Douglas, Manager, Community Relations, added that the focus is now on the historical performance of federally funded contracts and to encourage bidding participation locally.

6 PROPOSITION 1B SPENDING PRIORITIES (Item 11)

Mr. Castleberry presented this item for approval, reviewing the process for the granting of Proposition 1B funds to the WTA by the California Office of Emergency Services.

Director Secchitano asked if a maintenance facility for the WTA be included in the allocation plan. Mr. Castleberry answered that one was included.

Director Withington moved to approve the item. Director Johnson seconded the motion and the item carried unanimously.

7 PUBLIC EMPLOYEES RETIREMENT SYSTEM UPDATE (Item 12)

Mr. Castleberry presented this item for review, reviewing the process for joining PERS independently instead of through a third party JPA, as the agency currently receives PERS benefits. He noted that the item was presented for discussion to the Administrative/Legislative/Finance Committee, which recommended proceeding with efforts to join PERS independently. There would be no budget affect as a result of the change.

Director Secchitano asked if Social Security will be included in the WTA's retirement. Mr. Castleberry answered that a proposal containing PERS and Social Security benefits will be

presented to the Board at an upcoming meeting. President Johnson added that the proposal to join PERS independently now would not affect the future entity (WETA).

Director Intintoli moved to approve the item. Director Withington seconded the motion and the item carried unanimously.

8 SOUTH SAN FRANCISCO SERVICE DELIVERY – AC TRANSIT PROPOSAL (Item 9)

Mr. Castleberry presented this item for review, noting that action would be deferred pending further negotiations on operating costs and management of their proposed services. No action was taken.

9 RECESS INTO CLOSED SESSION AND REPORT ON CLOSED SESSION (Items 13 and 14)

President Johnson called the meeting into closed session at 2:40 pm. Upon reopening of the meeting at 2:50 pm, a motion was made by Director Boro to direct staff to continue negotiations with the parties involved. The motion was seconded by Director Mancinelli. Director Fang was absent. Directors Boro, Intintoli, Johnson, President Johnson, Secchitano and Withington voted in favor of the motion.

10 OPEN TIME FOR PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Mr. Jerry Grace commented that he is pleased by the passage of SB 976, asked if new ferry service would go to Ghirardelli Square, and mentioned his Special Olympics team going to compete in Sunnyvale. Mr. Castleberry clarified that "Ghirardelli" is the name of the firm hired to do construction management, that there is no plan to provide ferry service to Ghirardelli Square.

11 ADJOURNMENT

All business having concluded, the meeting was adjourned at 3:00 pm.

Respectfully Submitted,



Karen Shelver,
Board Secretary