

Senate Bill No. 976

CHAPTER 734

An act to repeal and add Title 7.10 (commencing with Section 66540) of the Government Code, and to amend Sections 30913 and 30914 of the Streets and Highways Code, relating to transportation.

[Approved by Governor October 14, 2007. Filed with
Secretary of State October 14, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

SB 976, Torlakson. San Francisco Bay Area Water Emergency Transportation Authority.

Existing law creates the San Francisco Bay Area Water Transit Authority (WTA) with specified powers and duties relative to the development of a plan for implementation and operation of a water transit system on San Francisco Bay.

This bill would repeal those provisions and establish the San Francisco Bay Area Water Emergency Transportation Authority (WETA) with specified powers and duties, including, but not limited to, the authority to, among other things, coordinate the emergency activities of all water transportation and related facilities within the bay area region, as defined. The bill would require the WTA to transfer, among other things, the title and ownership of all property within its control to the WETA. The bill would also require the transfer to the WETA of funds designated for the WTA and all public transportation ferries and related water transportation services and facilities within the bay area region, as specified. The bill would provide that the WETA is as fully entitled to new allocations or distributions of funds as if it were the WTA. The bill would require the WETA to be governed by a board composed of five members appointed by the Governor, the Senate Committee on Rules, and the Speaker of the Assembly, as specified, and would set forth various duties and powers of the board. The bill would require the WETA to create and adopt, in cooperation with the Metropolitan Transportation Commission and the State Office of Emergency Services, among other agencies, an emergency water transportation system management plan for water transportation services in the bay area region and a related transition plan, as specified. The bill would require adoption of the management plan on or before July 1, 2009, and adoption of the transition plan on or before January 1, 2009, and would require the WETA to provide a copy of the plans to each city and county in the bay area region at least 45 days prior to the plans' adoption. The bill would require the WETA to set fares for travel on the water transportation system it operates and would authorize the WETA to issue bonds, levy special benefit assessments, and borrow money, as specified. The bill would require that

represented employees of the WTA become employees of the WETA and suffer no loss of employment or reduction in wages or health benefits, among other things. The bill would prescribe related matters with regard to the powers and duties of the WETA.

By imposing those duties on the WETA, the bill would impose a state-mandated local program.

Existing law requires the Metropolitan Transportation Commission to allocate certain amounts of the toll increase approved in 1988 for specified purposes.

This bill would require that funds made available for rapid water transit systems pursuant to that provision be allocated to the WETA.

Existing law authorizes the funding of certain projects and programs in the Regional Traffic Relief Plan from toll bridge revenues, as specified, and identifies the WTA as the project sponsor for certain of those projects.

This bill would instead identify the WETA as the project sponsor in place of the WTA.

Existing law specifies that one of the projects in the Regional Traffic Relief Plan is the purchase of 2 vessels for ferry services between Alameda and Oakland areas and San Francisco. Existing law authorizes the WTA to use the funds for terminal improvements if the WTA demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for those vessel purchases.

This bill would also authorize the WETA to use the funds for consolidation of existing ferry operations if the WETA demonstrates to the Metropolitan Transportation Commission that it has secured that alternative funding.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Title 7.10 (commencing with Section 66540) of the Government Code is repealed.

SEC. 2. Title 7.10 (commencing with Section 66540) is added to the Government Code, to read:

**TITLE 7.10. SAN FRANCISCO BAY AREA WATER EMERGENCY
TRANSPORTATION RESPONSE AND DISASTER RECOVERY ACT**

CHAPTER 1. FINDINGS AND DECLARATIONS OF POLICY

66540. This title shall be known and may be cited as the San Francisco Bay Area Water Emergency Transportation Response and Disaster Recovery Act.

66540.1. The Legislature hereby finds and declares all of the following:

(a) In 1999, based on the findings and analyses in a study sponsored by the Bay Area Council, the Legislature created the San Francisco Bay Area Water Transit Authority for the purposes of preparing a bay area water transit implementation and operations plan and operating a comprehensive regional public water transportation system. In 2002, after two years of study, public hearings, collaboration with existing Bay Area transit and public transportation ferry service providers, and peer review, the San Francisco Bay Area Water Transit Authority submitted the required plan to the Legislature. The plan included rationale for expanded ferries, ridership projections and routes, potential terminal locations, capital, operating and maintenance costs, vessel specification, and emergency and safety response capabilities.

(b) While the efforts of the existing San Francisco Bay Area Water Transit Authority to develop a regional water transit plan are commendable, the country has seen several significant disasters, including the 9/11 tragedy and Hurricane Katrina, which have emphasized the need for coordinated emergency response. From the lessons learned from these events, it is apparent that the bay area's current emergency response infrastructure is not sufficient to respond to emergencies of the magnitude witnessed in the past few years and anticipated in the future.

(c) In 2006, the Bay Area Council sponsored a study on the role a comprehensive public water transportation system would play in the bay area's emergency response infrastructure. The 2006 study found that a comprehensive water transportation system is vital to emergency preparedness and response for the region. If bridges, roads, highways, tunnels, and trains are out of service as a result of an emergency, only the waters of the bay are certain to remain open for traffic. However, current infrastructure and equipment capabilities are grossly inadequate. Ferry terminals exist in only a few locations on the bay, and the vessel fleet lacks the capacity to make up for even one out-of-service bridge. The few vessels that exist are in the hands of many different public and private owners and operators, and there is no detailed plan or identified leader to activate and coordinate them.

(d) The study further urged for action to be taken immediately to strengthen and expand the regional public water transportation system so that the bay area would be prepared in the event of a catastrophic emergency. The San Francisco Bay Area is almost certain to experience moderate to severe earthquakes in the foreseeable future. A major earthquake or a series of earthquakes on any of the region's faults would have the potential of closing thousands of area roads and rendering some or all transbay bridges and mass transit lines impassable. With the regional transportation system disabled, first responders would be unable to help tens of thousands of homeless, injured, and starving victims. A failure of transportation would be particularly devastating to the most vulnerable of our population, the elderly, children, and the poor. The loss of any portion of the regional transportation system, from either natural or man made disaster, would place

lives and property at risk and would seriously undermine the San Francisco Bay Area economy

(e) It is the responsibility of the state to protect and preserve the right of its citizens to a safe and peaceful existence. To accomplish this goal and to minimize the destructive impact of disasters and other massive emergencies, the actions of numerous public agencies must be coordinated to effectively manage all four phases of emergency activity: preparedness, mitigation, response, and recovery. It is a matter of statewide interest to establish an expanded and coordinated regional water transportation system to provide necessary security, flexibility, and mobility for disaster response and recovery in the San Francisco Bay Area. This transcends any local interest, and requires a single governmental entity with appropriate powers and scope of authority to serve this statewide interest.

(f) As emergencies and other catastrophic events are certain (only the timing is unpredictable), it is crucial for immediate action to be taken to develop and implement these emergency response strategies. It is not only impractical, but rather impossible, to cobble together an emergency water transportation system after the fact. It is a task of years, not months, to make the real changes and create the essential infrastructure for an integrated and comprehensive water transit emergency system. In light of the ever-present threat, it is imperative to begin this crucial effort without delay.

(g) The public interest requires swift action and steadfast resolve to prepare for the coming earthquakes, as well as other emergencies, with the speed and determination that is due for a threat of this magnitude. The water transit emergency response and recovery system must be fully implemented as quickly as possible, as if the lives of bay area residents depend on it, because they do.

(h) It is a matter of statewide interest to stimulate the maximum use of the San Francisco Bay for emergency response and recovery. The geographical situation of the San Francisco Bay makes it ideal for emergency response and recovery, but at the same time prevents the full utilization of the bay by acting as a physical barrier to an effective transportation system between the various jurisdictions surrounding the bay. Only a specially created local entity of regional government can freely operate in the numerous individual units of county, city and county, and city governments located in the area. In order to protect the lives and livelihoods of the bay area, the Legislature in this act establishes a new governmental entity specifically charged and empowered with the responsibility to plan, implement, and manage these critical services and facilities, as a matter of the utmost urgency.

66540.2. It is the intent of the Legislature in enacting this title to provide for a unified, comprehensive institutional structure for the ownership and governance of a water transportation system that shall provide comprehensive water transportation and emergency coordination services for the bay area region. It is further the intent of the Legislature that the authority established by this act shall succeed to the powers, duties, obligations, liabilities, immunities, and exemptions of any general purpose local government or

special district that operates or sponsors water transit, except the Golden Gate Bridge, Highway and Transportation District.

CHAPTER 2. DEFINITIONS

66540.3. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this title.

(a) “Authority” means the San Francisco Bay Area Water Emergency Transportation Authority created by Section 66540.4.

(b) “Bay area region” means the region described in Section 66502.

(c) “Board” means the board of directors of the authority.

(d) “Public agency” includes, but is not limited to, the federal government or any officer, department, division, bureau, board, and commission or other body or agency thereof; the state government or any officer, department, division, bureau, board, and commission or other body or agency thereof; other state governments or any officer, department, division, bureau, board, and commission or other body or agency thereof; any town, city, county, city and county, and municipal corporation, whether incorporated or not and whether chartered or not, or any officer, department, division, bureau, board, and commission or other body or agency thereof; any school district, political subdivision, district or local agency or any officer, department, division, bureau, board, and commission or other body or agency thereof.

(e) “Public transportation ferries” means ferryboats operated, sponsored, funded, or subsidized by any public agency, including, but not limited to, those ferryboats operated under agreement with a private operator.

(f) “Water transportation services” means the transportation of passengers, their incidental baggage, including wheelchairs and bicycles, and small packages by water-borne vessels, and the loading, unloading, and ancillary activities related thereto. Water transportation services does not include the continuous transportation of goods in interstate or international commerce.

CHAPTER 3. SAN FRANCISCO BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY

66540.4. There is hereby established the San Francisco Bay Area Water Emergency Transportation Authority as a local governmental entity of regional government, with jurisdiction extending throughout the bay area region.

66540.5. The authority shall have the authority to plan, manage, operate, and coordinate the emergency activities of all water transportation and related facilities within the bay area region, except those provided or owned by the Golden Gate Bridge, Highway and Transportation District. During a state of war emergency, a state of emergency, or a local emergency, as described in Section 8558, the authority, in cooperation with the State Office of Emergency Services, the United States Coast Guard, the Federal Emergency Management Agency, and the Metropolitan Transportation

Commission, shall coordinate the emergency activities for all water transportation services in the bay area region and, for such purposes, shall be known as the Bay Area Maritime Emergency Transportation Coordinator.

66540.6. (a) In order to establish and secure emergency activities of all water transportation and related facilities within the bay area region, the authority shall have the authority to operate a comprehensive emergency public water transportation system that includes water transportation services, water transit terminals, and any other transport and facilities supportive of the system for the bay area region, provided that any such facilities are consistent with the Bay Plan adopted by the Bay Conservation and Development Commission, as it may be amended from time to time, and that the authority consults in good faith with affected municipalities, counties, and other public agencies that may be affected by a particular facility. The authority shall have authority and control over all public transportation ferries within the bay area region, except those owned and operated by the Golden Gate Bridge, Highway and Transportation District. The planning, management, and operation of any existing or planned public transportation ferries and related facilities and services in the bay area region shall be consolidated under the authority's control.

(b) Because of the importance of an orderly development of a comprehensive bay area region emergency water transportation system, the environmental, health, and public safety issues implicated, and the scarce resources available, the authority shall determine the entry within its jurisdiction of any water transportation service or facility that will affect public lands or receive or benefit from the use of federal, state, or local funds, except those owned and operated by the Golden Gate Bridge, Highway and Transportation District.

(c) Nothing in this section shall be construed to be in derogation of the existing authority of the California Public Utilities Commission.

66540.7 (a) The authority shall have 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.

(b) The authority may commission planning, engineering, economic, and other studies to provide information to the board for making decisions about the location, design, management, and other features of future public transportation ferries and related facilities and services.

(c) (1) Not later than 60 days after the effective date of this title, the San Francisco Bay Area Water Transit Authority shall transfer and assign to the authority all contracts in force for study and development of possible water transportation services in the bay area region.

(2) The transfer of contracts required under this subdivision shall include the contemporaneous transfer of revenue from state or federal grants, local funds, and other sources of revenue committed and adequate to fund the contracts until their completion.

(d) The policy direction for the study described in subdivision (c) shall become the responsibility of the authority. The authority shall consider the

concepts and ideas of the San Francisco Bay Area Water Transit Authority, the Metropolitan Transportation Commission, and other entities, both public and private.

(e) The Metropolitan Transportation Commission, or its successor agency, shall cooperate with the authority to include all public transportation ferries plans and facilities selected by the authority in the regional transportation plan consistent with state and federal law.

66540.8. The authority shall have the power to apply for, receive, and expend funds for public transportation ferries and related facilities and services, and emergency water transportation for disaster recovery within the bay area region, including, but not limited to, all direct and indirect distributions of federal, state, and regional funds and the issuance of any future state or local bonds. Any allocation or distribution of federal, state, and regional funds designated for the San Francisco Bay Area Water Transit Authority shall be transferred to the authority and the authority shall be as fully entitled to new allocation or distribution of funds as if it were the San Francisco Bay Area Water Transit Authority, including, without limitation, funds derived from the increase in tolls on state-owned bridges in the bay area pursuant to the expenditures plan approved by the Legislature in Chapter 715 of the Statutes of 2003. The authority shall be entitled to receive and shall be disbursed funds under subdivision (b) of Section 8879.57 that would have been allocated to any waterborne transit agency that, as of the effective date of that section, would not be or have been eligible to receive State Transit Assistance Funds but for the effect of this act. Pursuant to subdivision (b) of Section 8879.61, if the authority receives grant awards allocated from funds pursuant to subdivision (b) of Section 8879.57, it shall not be eligible to receive grant awards from funds allocated pursuant to subdivision (a) of Section 8879.57.

66540.9. In order to properly plan and provide for emergency water transportation services and facilities, the authority shall have the authority to plan, develop, and operate all aspects of water transportation facilities within the bay area region, including, but not limited to the location and development of terminals, parking lots and structures, and all other facilities and services necessary to serve passengers and other customers of the water transportation services system

66540.10. The San Francisco Bay Area Water Transit Authority shall transfer the title and ownership of all property within its control and ownership to the authority. Funds necessary for the establishment and organization of the authority, as determined by the board of the authority, shall be transferred immediately upon request by the authority. All other transfers shall be consistent with the transition plan required under subdivision (b) of Section 66540.32 and shall include, but not be limited to, all of the following:

(a) All real and personal property, including, but not limited to, all terminals, ferries, vehicles or facilities, parking facilities for passengers and employees, and related buildings and facilities convenient or necessary to

operate, support, maintain, and manage the water transportation services system and its services to customers.

(b) All contracts with tenants, concessionaires, leaseholders, and others.

(c) All financial obligations secured by revenues and fees generated from the operations of the water transportation services system, including, but not limited to, bonded indebtedness associated with the water transportation services system.

(d) All financial reserves, including, but not limited to, sinking funds and other credits.

(e) All office equipment, including, but not limited to, computers, records and files, software required for financial management, personnel management, and accounting and inventory systems.

66540.11. (a) All public transportation ferries and related water transportation services and facilities within the bay area region shall be transferred to the authority in accordance with the transition plan required under subdivision (b) of Section 66540.32, except for the services and facilities owned, operated, and provided by the Golden Gate Bridge, Highway and Transportation District.

(b) The authority may accept the transfer of ownership, operation, and management of any other public transportation ferries and related water transportation services and facilities within the bay area region developed or adopted by any general purpose local government or special district that operates or sponsors water transit, including, but not limited to, those water transportation services provided under agreement with a private operator.

(c) All transfers pursuant to subdivision (a) and (b) shall be consistent with the transition plan required under subdivision (b) of Section 66540.32 and shall include, but not be limited to, all of the following:

(1) All real and personal property, including, but not limited to, all terminals, ferries, vehicles or facilities, parking facilities for passengers and employees, and buildings and facilities used to operate, maintain, and manage the water transportation services system.

(2) All personnel currently employed by the water transportation services system, subject to the provisions of Article 5 (commencing with Section 66540.55) of Chapter 5.

(3) All contracts with tenants, concessionaires, leaseholders, and others.

(4) All subsidies for the water transportation services system, other than the direct subsidy the Golden Gate Bridge, Highway and Transportation District currently provides to the water transportation services system it provides.

(5) All financial obligations secured by revenues and fees generated from the operations of the water transportation services system, including, but not limited to, bonded indebtedness and subsidies associated with the public transportation ferry system.

(d) In accepting a transfer, the authority may assume no financial obligations other than those associated with the operation of the services and facilities being transferred to it.

(e) Reasonable administrative costs incurred by the other public transportation ferries and related water transportation services and facilities related to the transfer shall be borne by the authority.

CHAPTER 4. GOVERNING BODY

66540.12. (a) The authority shall be governed by a board composed of five members, as follows:

(1) Three members shall be appointed by the Governor, subject to confirmation by the Senate. The Governor shall make the initial appointment of these members of the board within 10 days after the effective date of this title.

(2) One member shall be appointed by the Senate Committee on Rules.

(3) One member shall be appointed by the Speaker of the Assembly.

(b) Each member of the board shall be a resident of a county in the bay area region.

(c) Public officers associated with any area of government, including planning or water, whether elected or appointed, may be appointed to serve contemporaneously as members of the board. No local jurisdiction or agency may have more than one representative on the board of the authority.

(d) The Governor shall designate one member as the chair of the board and one member as the vice chair of the board.

(e) The term of a member of the board shall be six years

(f) Vacancies shall be immediately filled by the appointing power for the unexpired portion of the terms in which they occur.

66540.13. A member may be removed only for cause or incapacity and only by the appointing authority.

66540.14. A member may be reappointed to serve additional terms.

66540.15. The board members shall serve without compensation, but shall receive reimbursement for actual and necessary expenses incurred in connection with the performance of their duties. However, in lieu of this reimbursement for attendance at board meetings, each member of the board may receive a per diem of one hundred dollars (\$100), but not to exceed a combined total of five meetings in any one calendar month, plus reasonable expenses as may be authorized by the board. The authority shall pay all costs pursuant to this section.

66540.16. (a) The board shall have the power to appoint all of the following officers of the authority:

(1) Executive director.

(2) General counsel.

(3) Auditor.

(b) The Executive Director shall be responsible for operation, maintenance, financing, and planning functions, within the policy guidelines established by the board. The executive director shall prepare and submit an annual budget to the board. The executive director will have the authority to execute contracts, grant documents, and financing documents under the

policy guidelines which may be established by the board. The executive director shall appoint all other officers and employees.

66540.17. The board may do all of the following:

- (a) Create committees from its membership.
- (b) Appoint advisory committees from other interested public and private groups.
- (c) Contract for or employ any professional services required by the authority or for the performance of work and services which in the board's opinion cannot satisfactorily be performed by its officers and employees.
- (d) Do any and all other things necessary to carry out the purposes of this title.

66540.18. (a) The chair of the board shall do all of the following:

- (1) Prepare the agenda for each meeting of the board.
- (2) Preside over all meetings of the board, including, but not limited to, setting the dates and times of meetings, declaring the opening and closing of each proceeding of the board, ruling on points of order, regulating the individuals that, except for board members, may address the board at its meetings, and putting issues to the vote and announcing decisions following those votes.
- (3) Appoint board members to committees and serve as an ex officio member of all committees.
- (4) Propose the annual budget for the authority.
- (5) Sign all orders issued by the board and contracts and grant documents as approved by the board.
- (6) Represent the authority at all proceedings. The chair may appoint individuals to represent the board on other boards or commissions, subject to ratification by the board. Appointees serve at the pleasure of the board and those appointments will be subject to review by the board at least once every two years.
- (7) Have such other powers and duties as may be prescribed from time to time by the board.

(b) The chair may delegate any of the powers described in this section, other than the power to delegate, to any member of the board.

(c) In the absence or disability of the chair of the board, the vice chair shall perform all of the duties of the chair and, in so acting, shall have all the powers of the chair. The vice chair shall have such other powers and perform such other duties as may be prescribed from time to time by the board.

66540.19. (a) The time and place of the first meeting of the board shall be at a time and place within the bay area region fixed by the chair of the board, but no later than April 1, 2008.

(b) After the first meeting described in subdivision (a), the board shall hold meetings at times and places determined by the board.

(c) Meetings of the board are subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

66540.20. The board is the legislative body of the authority and, consistent with the provisions of this title, shall determine all questions of authority policy.

66540.21. The board shall determine what water transportation services facilities should be acquired or constructed for the common benefit of the bay area region as a whole.

66540.22. The board shall supervise and regulate every water transportation services facility owned or operated or controlled by the authority, including the establishment of rates, rentals, charges, and classifications, and the making and enforcement of rules, regulations, contracts, practices, and schedules, for or in connection with any transportation facility owned or operated or controlled by the authority.

66540.23. (a) The board may act either by ordinance or resolution in order to regulate the authority and undertake all acts necessary and convenient for the exercise of the authority's powers.

(b) The board may adopt and enforce rules and regulations for the administration, maintenance, operation, and use of the authority's facilities and services, including, but not limited to, rates, charges, and fees for those purposes.

(c) The board may employ necessary personnel to enforce the rules and regulations adopted by the board pursuant to this section.

66540.24. (a) Three members of the board shall constitute a quorum for the purpose of transacting any business of the board.

(b) Except as otherwise specifically provided to the contrary in this title, a recorded majority vote of the total membership of the board is required on each action.

66540.25. The authority may do any and all things necessary to carry out the purposes of this title.

CHAPTER 5. DUTIES AND POWERS

Article 1. General Provisions

66540.255. The authority may accept grants, contributions, and appropriations from any public agency, private foundation, or individual.

66540.26. The authority has perpetual succession and may adopt a seal and alter it at its pleasure.

66540.27. The authority may provide a comprehensive emergency public water transportation services system and, for this purpose, may have the power to provide all of the following:

(a) Planning, as provided in Article 2 (commencing with Section 66540.32).

(b) Facilities, equipment, and services, as provided in Article 3 (commencing with Section 66540.34).

(c) Funding, as provided in Article 4 (commencing with Section 66540.41).

(d) Employee benefits and retirement, as provide in Article 5 (commencing with Section 66540.55).

66540.28. The authority may sue and be sued.

66540.29. The authority may take by grant, purchase, devise, or lease or otherwise acquire, hold, enjoy, lease, and dispose of, real and personal property within or outside its area of jurisdiction in order to further its purposes.

66540.30. The authority may contract with any department or agency of the United States, with any state or local governmental agency, or with any person upon those terms and conditions that the authority finds are in its best interests.

66540.31. No action taken by the authority pursuant to this title shall require the approval of the Public Utilities Commission.

Article 2. Planning

66540.32. (a) The authority shall create and adopt, on or before July 1, 2009, an emergency water transportation system management plan for water transportation services in the bay area region in the event that bridges, highways, and other facilities are rendered wholly or significantly inoperable.

(b) The authority shall create and adopt, on or before January 1, 2009, a transition plan to facilitate the transfer of existing public transportation ferry services within the bay area region to the authority pursuant to this title. In the preparation of the transition plan, priority shall be given to ensuring continuity in the programs, services, and activities of existing public transportation ferry services.

(c) In developing the plans described in subdivisions (a) and (b), the authority shall cooperate to the fullest extent possible with the Metropolitan Transportation Commission, the State Office of Emergency Services, the Association of Bay Area Governments, and the San Francisco Bay Conservation and Development Commission, and shall, to the fullest extent possible, coordinate its planning with local agencies, including those local agencies that operated, or contracted for the operation of, public water transportation services as of the effective date of this title.. To avoid duplication of work, the authority shall make maximum use of data and information available from the planning programs of the Metropolitan Transportation Commission, the State Office of Emergency Services, the Association of Bay Area Governments, the San Francisco Bay Conservation and Development Commission, the cities and counties in the San Francisco Bay area, and other public and private planning agencies. In addition, the authority shall consider both of the following:

(1) The San Francisco Bay Area Water Transit Implementation and Operations Plan adopted by the San Francisco Bay Area Water Transit Authority on July 10, 2003.

(2) Any other plan concerning water transportation within the bay area region developed or adopted by any general purpose local government or

special district that operates or sponsors water transit, including, but not limited to, those water transportation services provided under agreement with a private operator.

(d) The authority shall prepare a specific transition plan for any transfer not anticipated by the transition plan required under subdivision (b).

(e) At least 45 days prior to adoption of the plans required by subdivisions (a) and (b), the authority shall provide a copy of the plan adopted pursuant to subdivision (a) and the plan adopted pursuant to subdivision (b) to each city and county in the bay area region. Any of these cities or counties may provide comments on these plans to the authority.

66540.34. The authority shall refer for recommendation the plans of routes, rights of way, terminals, yards, and related facilities and improvements to the city councils and boards of supervisors within whose jurisdiction those facilities and improvements lie and to any other state, regional, and local agencies and commissions as may be deemed appropriate by the authority. The authority shall give due consideration to all recommendations submitted.

Article 3. Facilities, Equipment, and Services

66540.34. The authority may enter into agreements for the joint use or joint development of any property rights, including air rights, owned or controlled by the authority.

66540.35. The authority may acquire, own, lease, construct, and operate water transportation vessels and equipment, including, but not limited to, real and personal property, equipment, and any facilities of the authority, except those facilities providing access to national parks.

66540.36. The authority may select private or public franchisees for those operating elements of the water transportation services system and related facilities of the authority.

66540.37. The authority may accept, through purchase of fee, conveyance of title, long-term lease, or other means deemed appropriate, the vessels, terminals, maintenance and support facilities, and other assets of public water transportation services providers.

66540.38. The authority may lease or contract for the use of its facilities, or any portion thereof, to any operator, and may provide for subleases by that operator upon the terms and conditions that it deems in the public interest. The word “operator,” as used in this section, means any city or public agency or any person, firm, or private corporation.

66540.39. The air emission standard for new vessels purchased by the authority shall exceed the federal Environmental Protection Agency’s air quality standards for Tier II 2007 marine engines by at least 85 percent.

66540.40. The authority shall dedicate at least one new vessel, subject to engine manufacturers’ warranties, to employ biodiesel fuel (B20) to assess the practical application of using renewable fuels. If further funding becomes available for this application from regional, state, or federal funding sources,

the authority shall consider increasing the use of biodiesel fuel to demonstrate reduction in greenhouse gas emissions. The air emission standards set by the authority pursuant to this title shall apply to the use of biodiesel fuel.

Article 4. Funding

66540.41. The authority shall prepare and implement annual operating budgets for the operation of the San Francisco Bay Area water transportation services system, associated terminals, and related feeder transportation and support services.

66540.42. The authority shall set fares for travel on the water transportation services system that it operates, and define and set other fares and fees for services related to the water transportation system.

66540.43. (a) The authority may issue bonds, from time to time, payable from revenue of any facility or enterprise operated, acquired, or constructed by the authority, for any of the purposes authorized by this title in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5), excluding Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 and the limitations set forth in subdivision (b) of Section 54402 which shall not apply to the issuance and sale of bonds pursuant to this section.

(b) The authority is a local agency within the meaning of Section 54307. The water transportation services system or any or all facilities and all additions and improvements that the authority's governing board authorizes to be acquired or constructed and any purpose, operation, facility, system, improvement, or undertaking of the authority from which revenues are derived or otherwise allocable, which revenues are, or may by resolution or ordinance be, required to be separately accounted for from other revenues of the authority, shall constitute an enterprise within the meaning of Section 54309.

(c) The board shall authorize the issuance of bonds pursuant to this section by resolution, which resolution shall be adopted by a majority vote and shall specify all of the following:

- (1) The purposes for which the bonds are to be issued, which may include one or more purposes permitted by this title.
- (2) The maximum principal amount of bonds.
- (3) The maximum term of bonds.
- (4) The maximum rate of interest, fixed or variable, to be payable upon the bonds.
- (5) The maximum discount or premium payable on sale of the bonds.

(d) For purposes of the issuance and sale of bonds pursuant to this section, the following definitions shall be applicable to the Revenue Bond Law of 1941:

- (1) "Fiscal agent" means any fiscal agent, trustee, paying agent, depository, or other fiduciary provided for in the resolution providing the

terms and conditions for the issuance of the bonds, which fiscal agent may be located within or without the state.

(2) “Resolution” means, unless the context otherwise requires, the instrument providing the terms and conditions for the issuance of bonds, which instrument may be an indenture, trust agreement, installment sale agreement, lease, ordinance, or other instrument in writing.

(e) Each resolution shall provide for the issuance of bonds in the amounts as may be necessary, until the full amount of bonds authorized has been issued. The full amount of bonds may be divided into two or more series with different dates of payment fixed for bonds of each series. A bond need not mature on its anniversary date.

(f) The authority may issue refunding bonds to redeem or retire any bonds issued by the authority upon the terms, at the times, and in the manner which the authority’s governing body determines by resolution. Refunding bonds may be issued in a principal amount sufficient to pay all, or any part of, the principal of the outstanding bonds, the premium, if any due upon call redemption thereof prior to maturity, all expenses of redemption, and either of the following:

(1) The interest upon the refunding bonds from the date of sale thereof to the date of payment of the bonds to be refunded out of the sale of the refunding bonds or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(2) The interest upon the bonds to be refunded from the date of sale of the refunding bonds to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(g) The authority may enter into any liquidity or credit agreement it may deem necessary in connection with the issuance of bonds authorized by this section.

(h) This section provides a complete, additional, and alternative method of performing the acts authorized by this section, and the issuance of bonds, including refunding bonds, need not comply with any other law applicable to borrowing or the issuance of bonds. Any provision of the Revenue Bond Law of 1941 which is inconsistent with this section or this title shall not be applicable.

(i) Nothing in this section prohibits the authority from availing itself of any procedure provided in this chapter for the issuance of bonds of any type or character for any of the authorized water transportation facilities. All bond proceedings may be carried on simultaneously or, in the alternative, as the authority may determine.

66540.44. The authority may levy special benefit assessments consistent with the requirements of Article XIII D of the California Constitution for operating expenses and to finance capital improvements, including, but not limited to, special benefit assessments levied pursuant to any of the following:

(a) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(b) The Improvement Bond Act of 1915 (Division 15 (commencing with Section 8500) of the Streets and Highways Code).

(c) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(d) The Landscaping and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

66540.45. The authority may borrow money in accordance with Article 7 (commencing with Section 53820) of, Article 7.6 (commencing with Section 53850) of, or Article 7.7 (commencing with Section 53859) of, Chapter 4 of Part 1 of Division 2 of Title 5.

66540.46. (a) The authority may borrow money in anticipation of the sale of any bonds that have been authorized to be issued, but have not been sold and delivered, and may issue negotiable bond anticipation notes therefor, and may renew the bond anticipation notes from time to time, but the maximum maturity of any bond anticipation notes, including the renewals thereof, may not exceed five years from the date of delivery of the original bond anticipation notes. The bond anticipation notes may be paid from any money of the authority available therefor and not otherwise pledged.

(b) If not previously otherwise paid, the bond anticipation notes shall be paid from the proceeds of the next sale of the bonds of the authority in anticipation of which they were issued. The bond anticipation notes may not be issued in any amount in excess of the aggregate amount of bonds that the authority has been authorized to issue, less the amount of any bonds of the authorized issue previously sold, and also less the amount of other bond anticipation notes therefore issued and then outstanding. The bond anticipation notes shall be issued and sold in the same manner as the bonds. The bond anticipation notes and the resolution or resolutions authorizing them may contain any provisions, conditions, or limitations that a resolution of the authority authorizing the issuance of bonds may contain.

(c) Exclusively for the purpose of securing financing or refinancing for any of the purposes permitted by this title through the issuance of bonds, notes, or other obligations, including certificates of participation, by a joint powers authority, and, notwithstanding any other provision contained in this title or any other law, the authority may borrow money or purchase or lease property from a joint powers authority and, in connection therewith, may sell or lease property to the joint powers authority, in each case at the interest rate or rates, maturity date or dates, installment payment or rental provisions, security, pledge of revenues and other assets, covenants to increase rates and charges, default, remedy, and other terms or provisions as may be specified in the installment sale, lease, loan, loan purchase, or other agreement or agreements between the authority and the joint powers authority. The authority may enter into any liquidity or credit agreement it may deem necessary or appropriate in connection with any financing or refinancing authorized by this section. This section provides a complete, additional, and alternative method of performing the acts authorized by this section, and the borrowing of money, incurring indebtedness, sale, purchase, or lease of property from or to a joint powers authority, and any agreement

for liquidity or credit enhancement entered into in connection therewith, pursuant to this section, need not comply with the requirements of any other law applicable to borrowing, incurring indebtedness, sale, purchase, lease, or credit except for compliance with this section.

66540.47. The authority may bring an action to determine the validity of any of its bonds, equipment trust certificates, warrants, notes, or other evidences of indebtedness or any of its revenues, rates, or charges pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

66540.48. (a) Notwithstanding any other provisions of this title or any other law, the provisions of all ordinances, resolutions, and other proceedings in the issuance by the authority of any bonds, bonds with a pledge of revenues, bonds for improvement districts, revenue bonds, equipment trust certificates, notes, or any and all evidences of indebtedness or liability constitute a contract between the authority and the holders of the bonds, equipment trust certificates, notes, or evidences of indebtedness or liability, and the provisions thereof are enforceable against the authority or any or all of its successors or assigns, by mandamus or any other appropriate suit, action, or proceeding in law or in equity in any court of competent jurisdiction.

(b) Nothing in this title or in any other law shall be held to relieve the authority or the territory included within it from any bonded or other debt or liability contracted by the authority.

(c) Upon dissolution of the authority or upon withdrawal of territory therefrom, that territory formerly included within the authority, or withdrawn therefrom, shall continue to be liable for the payment of all bonded and other indebtedness or liabilities outstanding at the time of the dissolution or withdrawal as if the authority had not been so dissolved nor the territory withdrawn therefrom, and it shall be the duty of the successors or assigns to provide for the payment of the bonded and other indebtedness and liabilities.

(d) To the extent provided in the proceedings for the authorization, issuance, and sale of any revenue bonds, bonds secured by a pledge of revenues, or bonds for improvement districts secured by a pledge of revenues, revenues of any kind or nature derived from any revenue-producing improvements, works, facilities, or property owned, operated, or controlled by the authority may be pledged, charged, assigned, and have a lien thereon for the payment of the bonds as long as the same are outstanding, regardless of any change in ownership, operation, or control of the revenue-producing improvements, works, facilities, or property and it shall, in any later event or events, be the duty of the successors or assigns to continue to maintain and operate the revenue-producing improvements, works, facilities, or property as long as bonds are outstanding.

66540.49. The authority may apply for and receive grants from any and all state and federal agencies.

66540.50. The authority may deposit or invest any moneys of the authority in banks or financial institutions in the state in accordance with state law.

66540.51. The authority may insure against any accident to or destruction of the public transportation ferry system or any part thereof.

66540.52. The authority may insure against loss of revenues from any cause whatsoever.

66540.53. The authority may insure against public liability or property damage, or both. It may provide in the proceedings authorizing the issuance of any bonds for the carrying of such or any other insurance, in such amount and of such character as may be specified, and for the payment of the premiums thereon.

66540.54. (a) The authority shall maintain accounting records and shall report accounting transactions in accordance with generally accepted accounting principles as adopted by the Government Accounting Standards Board (GASB) of the Financial Accounting Foundation for both public reporting purposes and for reporting of activities to the Controller.

(b) The authority shall contract with an independent certified public account for an annual audit of the financial records, books, and performance of the authority. The accountant shall submit a report of the audit to the board and the board shall make copies of the report available to the public and the appropriate policy and fiscal committees of the Legislature.

Article 5. Employee Benefits and Retirement System

66540.55. The authority shall prescribe a method of securing employees, shall adopt rules and regulations governing the employment of employees, and shall prescribe the compensation to be paid to employees, including the provision of compensation based upon successful accomplishment of goals and objectives specified in advance.

66540.56. Represented employees of the San Francisco Bay Area Water Transit Authority shall become employees of the authority and shall suffer no loss of employment or reduction in wages, health and welfare benefits, seniority, retirement benefits or contributions made to retirement plans, or any other term or condition of employment solely as a result of the enactment of this title. No represented employee of the San Francisco Bay Area Water Transit Authority shall suffer loss of employment or reduction in wages or benefits solely as a result of the enactment of this title.

66540.57. The authority may establish a retirement system for the officers and employees of the authority and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits or any of them.

66540.58. The authority may maintain its own retirement fund or may provide for benefits to eligible officers and employees, or their beneficiaries, by means of group insurance or other insurance, or by those means that in

the opinion of the board will satisfactorily provide an adequate and sure method of meeting the payments contemplated by the retirement system.

66540.59. Before establishing any retirement system, the authority shall secure a report from a qualified actuary, which shall show the cost of the benefits provided by the system, and the prospective assets and liabilities of the system.

66540.60. The board may adopt all ordinances and resolutions and perform all acts necessary or convenient to the initiation, maintenance, and administration of the retirement system.

66540.61. As an alternative method of providing a retirement system, the board may contract with the Board of Administration of the Public Employees' Retirement System and enter all or any portion of its employees under that system pursuant to law and under the terms and conditions of that contract, or may contract with the Board of Administration of the Public Employees' Retirement System for reciprocal benefits between the Public Employees' System, or a city, or city and county, or any other public agency contracting with the Public Employees' Retirement System and the authority's retirement system as authorized by Section 20042, and may perform all acts necessary or convenient to provide for those reciprocal benefits.

66540.62. The board may also contract with the Board of Administration of the Public Employees' Retirement System for participation in the Federal Social Security Act and may perform all acts necessary or convenient for that participation.

66540.63. The board may classify and determine the officers and employees who shall be included as members in the retirement system and may change the classification from time to time. Membership of all officers and employees so classified and included in the retirement system is compulsory.

66540.64. The board may prescribe the terms and conditions upon which the officers and employees of the authority or their beneficiaries shall be entitled to benefits and the amounts thereof.

66540.65. Any pension or retirement system adopted by the board shall be on a sound actuarial basis and provide for contributions by both the authority and the employee members of the system which shall be based on percentage of payroll to be changed only by adjustments on account of experience under the system.

66540.66. Contributions shall be in amounts that shall accumulate at retirement a fund sufficient to carry out the promise to pay benefits to the individual on account of his or her service as a member of the system, without further contributions from any source.

66540.67. Nothing in any pension or retirement system or plan shall prevent the board from, at any time, amending, changing, modifying or terminating any provision for benefits, participation, or contributions thereto or thereunder.

66540.68. (a) This article does not apply to any employees of the authority in a bargaining unit that is represented by a labor organization,

except as to the protection of the rights of those employees that were employees of the San Francisco Bay Area Water Transit Authority as specifically provided in Section 66540.56.

(b) The adoption, terms, and conditions of the retirement systems covering employees of the authority in a bargaining unit represented by a labor organization shall be pursuant to a collective bargaining agreement between that labor organization and the authority. Any such retirement system adopted pursuant to a collective bargaining agreement shall be on a sound actuarial basis. The authority and the labor organization representing the authority's employees in a bargaining unit shall be equally represented in the administration of that retirement system.

(c) The authority shall assume and be bound by the terms and conditions of employment set forth in any collective bargaining agreement or employment contract between the San Francisco Bay Area Water Transit Authority and any labor organization or employee affected by the creation of that authority, as well as the duties, obligations, and liabilities arising from, or relating to, labor obligations imposed by state or federal law upon the San Francisco Bay Area Water Transit Authority.

CHAPTER 6. SEVERABILITY

66540.69. If any chapter, article, section, subdivision, subsection, sentence, clause, or phrase in this title, or the application thereof to any person or circumstances, is for any reason held invalid, the validity of the remainder of the title, or the application of such provision to other persons or circumstances, shall not be affected thereby. The Legislature hereby declares that it would have passed this title and each chapter, article, section, subdivision, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subdivisions, subsections, sentences, clauses, or phrases, or the application thereof to any person or circumstance, be held invalid.

SEC. 3. Section 30913 of the Streets and Highways Code is amended to read:

30913. (a) In addition to any other authorized expenditure of toll bridge revenues, the following major projects may be funded from toll revenues:

- (1) Benicia-Martinez Bridge: Widening of the existing bridge.
- (2) Benicia-Martinez Bridge: Construction of an additional span parallel to the existing bridge.
- (3) Carquinez Bridge: Replacement of the existing western span.
- (4) Richmond-San Rafael Bridge: Major rehabilitation of the bridge, and development of a new easterly approach between the toll plaza and Route 80, near Pinole, known as the Richmond Parkway.

(b) The toll increase approved in 1988, which authorized a uniform toll of one dollar (\$1) for two-axle vehicles on the bridges and corresponding increases for multi-axle vehicles, resulted in the following toll increases for two-axle vehicles on the bridges:

Bridge	1988 Increase (Two-axle vehicles)
Antioch Bridge	\$0.50
Benicia-Martinez Bridge	.60
Carquinez Bridge	.60
Dumbarton Bridge	.25
Richmond-San Rafael Bridge	.00
San Francisco-Oakland Bay Bridge	.25
San Mateo-Hayward Bridge	.25

Portions of the 1988 toll increase were dedicated to transit purposes, and these amounts shall be calculated as up to 2 percent of the revenue generated each year by the collection on all bridges of the base toll at the level established by the 1988 toll increase. The Metropolitan Transportation Commission shall allocate two-thirds of these amounts for transportation projects, other than those specified in Sections 30912 and 30913 and in subdivision (a) of Section 30914, which are designed to reduce vehicular traffic congestion and improve bridge operations on any bridge, including, but not limited to, bicycle facilities and for the planning, construction, operation, and acquisition of rapid water transit systems. The commission shall allocate the remaining one-third solely for the planning, construction, operation, and acquisition of rapid water transit systems. The plans for the projects may also be funded by these moneys. Funds made available for rapid water transit systems pursuant to this subdivision shall be allocated to the San Francisco Bay Area Water Emergency Transportation Authority.

(c) The department shall not include, in the plans for the new Benicia-Martinez Bridge, toll plazas, highways, or other facilities leading to or from the Benicia-Martinez Bridge, any construction that would result in the net loss of any wetland acreage.

(d) With respect to the Benicia-Martinez and Carquinez Bridges, the department shall consider the potential for rail transit as part of the plans for the new structures specified in paragraphs (2) and (3) of subdivision (a).

(e) At the time the first of the new bridges specified in paragraphs (2) and (3) of subdivision (a) is opened to the public, there shall be a lane for the exclusive use of pedestrians and bicycles available on at least, but not limited to, the original span at Benicia or Carquinez, or the additional or replacement spans planned for those bridges. The design of these bridges shall not preclude the subsequent addition of a lane for the exclusive use of pedestrians and bicycles.

SEC. 4. Section 30914 of the Streets and Highways Code is amended to read:

30914. (a) In addition to any other authorized expenditures of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges:

(1) Dumbarton Bridge: Improvement of the western approaches from Route 101 if affected local governments are involved in the planning.

(2) San Mateo-Hayward Bridge and approaches: Widening of the bridge to six lanes, construction of rail transit capital improvements on the bridge structure, and improvements to the Route 92/Route 880 interchange.

(3) Construction of West Grand connector or an alternate project designed to provide comparable benefit by reducing vehicular traffic congestion on the eastern approaches to the San Francisco-Oakland Bay Bridge. Affected local governments shall be involved in the planning.

(4) Not less than 90 percent of the revenues determined by the authority as derived from the toll increase approved in 1988 for class I vehicles on the San Francisco-Oakland Bay Bridge authorized by Section 30917 shall be used exclusively for rail transit capital improvements designed to reduce vehicular traffic congestion on that bridge. This amount shall be calculated as 21 percent of the revenue generated each year by the collection of the base toll at the level established by the 1988 increase on the San Francisco-Oakland Bay Bridge.

(b) Notwithstanding any funding request for the transbay bus terminal pursuant to Section 31015, the Metropolitan Transportation Commission shall allocate toll bridge revenues in an annual amount not to exceed three million dollars (\$3,000,000), plus a 3.5-percent annual increase, to the department or to the Transbay Joint Powers Authority after the department transfers the title of the Transbay Terminal Building to that entity, for operation and maintenance expenditures. This allocation shall be payable from funds transferred by the Bay Area Toll Authority. This transfer of funds is subordinate to any obligations of the authority, now or hereafter existing, having a statutory or first priority lien against the toll bridge revenues. The first annual 3.5-percent increase shall be made on July 1, 2004. The transfer is further subject to annual certification by the department or the Transbay Joint Powers Authority that the total Transbay Terminal Building operating revenue is insufficient to pay the cost of operation and maintenance without the requested funding.

(c) If the voters approve a toll increase in 2004 pursuant to Section 30921, the authority shall, consistent with the provisions of subdivisions (d) and (f), fund the projects described in this subdivision and in subdivision (d) that shall collectively be known as the Regional Traffic Relief Plan by bonding or transfers to the Metropolitan Transportation Commission. These projects have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, from toll revenues of all bridges:

(1) BART/MUNI Connection at Embarcadero and Civic Center Stations. Provide direct access from the BART platform to the MUNI platform at the above stations and equip new fare gates that are TransLink ready. Three million dollars (\$3,000,000). The project sponsor is BART.

(2) MUNI Metro Third Street Light Rail Line. Provide funding for the surface and light rail transit and maintenance facility to support MUNI Metro Third Street Light Rail service connecting to Caltrain stations and the E-Line waterfront line. Thirty million dollars (\$30,000,000). The project sponsor is MUNI.

(3) MUNI Waterfront Historic Streetcar Expansion. Provide funding to rehabilitate historic streetcars and construct trackage and terminal facilities to support service from the Caltrain Terminal, the Transbay Terminal, and the Ferry Building, and connecting the Fisherman’s Wharf and northern waterfront. Ten million dollars (\$10,000,000). The project sponsor is MUNI.

(4) East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge. Provide funding for the necessary track and station improvements and rolling stock to interconnect the BART and Capitol Corridor at Union City with Caltrain service over the Dumbarton Rail Bridge, and interconnect and provide track improvements for the ACE line with the same Caltrain service at Centerville. Provide a new station at Sun Microsystems in Menlo Park. One hundred thirty-five million dollars (\$135,000,000). The project is jointly sponsored by the San Mateo County Transportation Authority, Capitol Corridor, the Alameda County Congestion Management Agency, and the Alameda County Transportation Improvement Authority.

(5) Vallejo Station. Construct intermodal transportation hub for bus and ferry service, including parking structure, at site of Vallejo’s current ferry terminal. Twenty-eight million dollars (\$28,000,000). The project sponsor is the City of Vallejo.

(6) Solano County Express Bus Intermodal Facilities. Provide competitive grant fund source, to be administered by the Metropolitan Transportation Commission. Eligible projects are Curtola Park and Ride, Benicia Intermodal Facility, Fairfield Transportation Center and Vacaville Intermodal Station. Priority to be given to projects that are fully funded, ready for construction, and serving transit service that operates primarily on existing or fully funded high-occupancy vehicle lanes. Twenty million dollars (\$20,000,000). The project sponsor is Solano Transportation Authority.

(7) Solano County Corridor Improvements near Interstate 80/Interstate 680 Interchange. Provide funding for improved mobility in corridor based on recommendations of joint study conducted by the Department of Transportation and the Solano Transportation Authority. Cost-effective transit infrastructure investment or service identified in the study shall be considered a high priority. One hundred million dollars (\$100,000,000). The project sponsor is Solano Transportation Authority.

(8) Interstate 80: Eastbound High-Occupancy Vehicle (HOV) Lane Extension from Route 4 to Carquinez Bridge. Construct HOV-lane extension. Fifty million dollars (\$50,000,000). The project sponsor is the Department of Transportation.

(9) Richmond Parkway Transit Center. Construct parking structure and associated improvements to expand bus capacity. Sixteen million dollars (\$16,000,000). The project sponsor is Alameda-Contra Costa Transit District, in coordination with West Contra Costa Transportation Advisory Committee, Western Contra Costa Transit Authority, City of Richmond, and the Department of Transportation.

(10) Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin. Thirty-five million dollars (\$35,000,000). Up

to five million dollars (\$5,000,000) may be used to study, in collaboration with the Water Transit Authority, the potential use of San Quentin property as an intermodal water transit terminal. The project sponsor is SMART.

(11) Greenbrae Interchange/Larkspur Ferry Access Improvements. Provide enhanced regional and local access around the Greenbrae Interchange to reduce traffic congestion and provide multimodal access to the Richmond-San Rafael Bridge and Larkspur Ferry Terminal by constructing a new full service diamond interchange at Wornum Drive south of the Greenbrae Interchange, extending a multiuse pathway from the new interchange at Wornum Drive to East Sir Francis Drake Boulevard and the Cal Park Hill rail right-of-way, adding a new lane to East Sir Francis Drake Boulevard and rehabilitating the Cal Park Hill Rail Tunnel and right-of-way approaches for bicycle and pedestrian access to connect the San Rafael Transit Center with the Larkspur Ferry Terminal. Sixty-five million dollars (\$65,000,000). The project sponsor is Marin County Congestion Management Agency.

(12) Direct High-Occupancy Vehicle (HOV) lane connector from Interstate 680 to the Pleasant Hill or Walnut Creek BART stations or in close proximity to either station or as an extension of the southbound Interstate 680 High-Occupancy Vehicle Lane through the Interstate 680/State Highway Route 4 interchange from North Main in Walnut Creek to Livorna Road. The County Connection shall utilize up to one million dollars (\$1,000,000) of the funds described in this paragraph to develop options and recommendations for providing express bus service on the Interstate 680 High-Occupancy Vehicle Lane south of the Benicia Bridge in order to connect to BART. Upon completion of the plan, the Contra Costa Transportation Authority shall adopt a preferred alternative provided by the County Connection plan for future funding. Following adoption of the preferred alternative, the remaining funds may be expended either to fund the preferred alternative or to extend the high-occupancy vehicle lane as described in this paragraph. Fifteen million dollars (\$15,000,000). The project is sponsored by the Contra Costa Transportation Authority.

(13) Rail Extension to East Contra Costa/E-BART. Extend BART from Pittsburg/Bay Point Station to Byron in East Contra Costa County. Ninety-six million dollars (\$96,000,000). Project funds may only be used if the project is in compliance with adopted BART policies with respect to appropriate land use zoning in vicinity of proposed stations. The project is jointly sponsored by BART and Contra Costa Transportation Authority.

(14) Capitol Corridor Improvements in Interstate 80/Interstate 680 Corridor. Fund track and station improvements, including the Suisun Third Main Track and new Fairfield Station. Twenty-five million dollars (\$25,000,000). The project sponsor is Capitol Corridor Joint Powers Authority and the Solano Transportation Authority.

(15) Central Contra Costa Bay Area Rapid Transit (BART) Crossover. Add new track before Pleasant Hill BART Station to permit BART trains to cross to return track towards San Francisco. Twenty-five million dollars (\$25,000,000). The project sponsor is BART.

(16) Benicia-Martinez Bridge: New Span. Provide partial funding for completion of new five-lane span between Benicia and Martinez to significantly increase capacity in the I-680 corridor. Fifty million dollars (\$50,000,000). The project sponsor is the Bay Area Toll Authority.

(17) Regional Express Bus North. Competitive grant program for bus service in Richmond-San Rafael Bridge, Carquinez, Benicia-Martinez and Antioch Bridge corridors. Provide funding for park and ride lots, infrastructure improvements, and rolling stock. Eligible recipients include Golden Gate Bridge Highway and Transportation District, Vallejo Transit, Napa VINE, Fairfield-Suisun Transit, Western Contra Costa Transit Authority, Eastern Contra Costa Transit Authority, and Central Contra Costa Transit Authority. The Golden Gate Bridge Highway and Transportation District shall receive a minimum of one million six hundred thousand dollars (\$1,600,000). Napa VINE shall receive a minimum of two million four hundred thousand dollars (\$2,400,000). Twenty million dollars (\$20,000,000). The project sponsor is the Metropolitan Transportation Commission.

(18) TransLink. Integrate the Bay Area's regional smart card technology, TransLink, with operator fare collection equipment and expand system to new transit services. Twenty-two million dollars (\$22,000,000). The project sponsor is the Metropolitan Transportation Commission.

(19) Real-Time Transit Information. Provide a competitive grant program for transit operators for assistance with implementation of high-technology systems to provide real-time transit information to riders at transit stops or via telephone, wireless, or Internet communication. Priority shall be given to projects identified in the commission's connectivity plan adopted pursuant to subdivision (d) of Section 30914.5. Twenty million dollars (\$20,000,000). The funds shall be administered by the Metropolitan Transportation Commission.

(20) Safe Routes to Transit: Plan and construct bicycle and pedestrian access improvements in close proximity to transit facilities. Priority shall be given to those projects that best provide access to regional transit services. Twenty-two million five hundred thousand dollars (\$22,500,000). City Car Share shall receive two million five hundred thousand dollars (\$2,500,000) to expand its program within approximately one-quarter mile of transbay regional transit terminals or stations. The City Car Share project is sponsored by City Car Share and the Safe Routes to Transit project is jointly sponsored by the East Bay Bicycle Coalition and the Transportation and Land Use Coalition. These sponsors must identify a public agency cosponsor for purposes of specific project fund allocations.

(21) BART Tube Seismic Strengthening. Add seismic capacity to existing BART tube connecting the east bay with San Francisco. One hundred forty-three million dollars (\$143,000,000). The project sponsor is BART.

(22) Transbay Terminal/Downtown Caltrain Extension. A new Transbay Terminal at First and Mission Streets in San Francisco providing added capacity for transbay, regional, local, and intercity bus services, the extension of Caltrain rail services into the terminal, and accommodation of a future

high-speed passenger rail line to the terminal and eventual rail connection to the east bay. Eligible expenses include project planning, design and engineering, construction of a new terminal and its associated ramps and tunnels, demolition of existing structures, design and development of a temporary terminal, property and right-of-way acquisitions required for the project, and associated project-related administrative expenses. A bus- and train-ready terminal facility, including purchase and acquisition of necessary rights-of-way for the terminal, ramps, and rail extension, is the first priority for toll funds for the Transbay Terminal/Downtown Caltrain Extension Project. The temporary terminal operation shall not exceed five years. One hundred fifty million dollars (\$150,000,000). The project sponsor is the Transbay Joint Powers Authority.

(23) Oakland Airport Connector. New transit connection to link BART, Capitol Corridor and AC Transit with Oakland Airport. The Port of Oakland shall provide a full funding plan for the connector. Thirty million dollars (\$30,000,000). The project sponsors are the Port of Oakland and BART.

(24) AC Transit Enhanced Bus-Phase 1 on Telegraph Avenue, International Boulevard, and East 14th Street (Berkeley-Oakland-San Leandro). Develop enhanced bus service on these corridors, including bus bulbs, signal prioritization, new buses, and other improvements. Priority of investment shall improve the AC connection to BART on these corridors. Sixty-five million dollars (\$65,000,000). The project sponsor is AC Transit.

(25) Transbay Commute Ferry Service. Purchase two vessels for transbay ferry services. Second vessel funds to be released upon demonstration of appropriate terminal locations, new transit-oriented development, adequate parking, and sufficient landside feeder connections to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is San Francisco Bay Area Water Emergency Transportation Authority. If the San Francisco Bay Area Water Emergency Transportation Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements or for consolidation of existing ferry operations.

(26) Commute Ferry Service for Berkeley/Albany. Purchase two vessels for ferry services between the Berkeley/Albany Terminal and San Francisco. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is the San Francisco Bay Area Water Emergency Transportation Authority. If the San Francisco Bay Area Water Emergency Transportation Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements. If the San Francisco Bay Area Water Emergency Transportation Authority does not have an entitled terminal site within the Berkeley/Albany catchment area by 2010 that meets its requirements, the funds described in this paragraph and the operating funds described in paragraph (7) of subdivision (d) shall be transferred to another site in the East Bay. The City of Richmond

shall be given first priority to receive this transfer of funds if it has met the planning milestones identified in its special study developed pursuant to paragraph (28).

(27) Commute Ferry Service for South San Francisco. Purchase two vessels for ferry services to the Peninsula. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is the San Francisco Bay Area Water Emergency Transportation Authority. If the San Francisco Bay Area Water Emergency Transportation Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

(28) Water Transit Facility Improvements, Spare Vessels, and Environmental Review Costs. Provide two backup vessels for water transit services, expand berthing capacity at the Port of San Francisco, and expand environmental studies and design for eligible locations. Forty-eight million dollars (\$48,000,000). The project sponsor is San Francisco Bay Area Water Emergency Transportation Authority. Up to one million dollars (\$1,000,000) of the funds described in this paragraph shall be made available for the San Francisco Bay Area Water Emergency Transportation Authority to study accelerating development and other milestones that would potentially increase ridership at the City of Richmond ferry terminal.

(29) Regional Express Bus Service for San Mateo, Dumbarton, and Bay Bridge Corridors. Expand park and ride lots, improve HOV access, construct ramp improvements, and purchase rolling stock. Twenty-two million dollars (\$22,000,000). The project sponsors are AC Transit and Alameda County Congestion Management Agency.

(30) I-880 North Safety Improvements. Reconfigure various ramps on I-880 and provide appropriate mitigations between 29th Avenue and 16th Avenue. Ten million dollars (\$10,000,000). The project sponsors are Alameda County Congestion Management Agency, City of Oakland, and the Department of Transportation.

(31) BART Warm Springs Extension. Extension of the existing BART system from Fremont to Warm Springs in southern Alameda County. Ninety-five million dollars (\$95,000,000). Up to ten million dollars (\$10,000,000) shall be used for grade separation work in the City of Fremont necessary to extend BART. The project would facilitate a future rail service extension to the Silicon Valley. The project sponsor is BART.

(32) I-580 (Tri Valley) Rapid Transit Corridor Improvements. Provide rail or High-Occupancy Vehicle lane direct connector to Dublin BART and other improvements on I-580 in Alameda County for use by express buses. Sixty-five million dollars (\$65,000,000). The project sponsor is Alameda County Congestion Management Agency.

(33) Regional Rail Master Plan. Provide planning funds for integrated regional rail study pursuant to subdivision (f) of Section 30914.5. Six million five hundred thousand dollars (\$6,500,000). The project sponsors are Caltrain and BART.

(34) Integrated Fare Structure Program. Provide planning funds for the development of zonal monthly transit passes pursuant to subdivision (e) of Section 30914.5. One million five hundred thousand dollars (\$1,500,000). The project sponsor is the Translink Consortium.

(35) Transit Commuter Benefits Promotion. Marketing program to promote tax-saving opportunities for employers and employees as specified in Section 132(f)(3) or 162(a) of the Internal Revenue Code. Goal is to increase the participation rate of employers offering employees a tax-free benefit to commute to work by transit. The project sponsor is the Metropolitan Transportation Commission. Five million dollars (\$5,000,000).

(36) Caldecott Tunnel Improvements. Provide funds to plan and construct a fourth bore at the Caldecott Tunnel between Contra Costa and Alameda Counties. The fourth bore will be a two-lane bore with a shoulder or shoulders north of the current three bores. The County Connection shall study all feasible alternatives to increase transit capacity in the westbound corridor of State Highway Route 24 between State Highway Route 680 and the Caldecott Tunnel, including the study of the use of an express lane, high-occupancy vehicle lane, and an auxiliary lane. The cost of the study shall not exceed five hundred thousand dollars (\$500,000) and shall be completed not later than January 15, 2006. Fifty million five hundred thousand dollars (\$50,500,000). The project sponsor is the Contra Costa Transportation Authority.

(d) Not more than 38 percent of the revenues generated from the toll increase shall be made available annually for the purpose of providing operating assistance for transit services as set forth in the authority's annual budget resolution. The funds shall be made available to the provider of the transit services subject to the performance measures described in Section 30914.5. If the funds cannot be obligated for operating assistance consistent with the performance measures, these funds shall be obligated for other operations consistent with this chapter.

Except for operating programs that do not have planned funding increases and subject to the 38-percent limit on total operating cost funding in any single year, following the first year of scheduled operations, an escalation factor, not to exceed 1.5 percent per year, shall be added to the operating cost funding through fiscal year 2015–16, to partially offset increased operating costs. The escalation factors shall be contained in the operating agreements described in Section 30914.5. Subject to the limitations of this paragraph, the Metropolitan Transportation Commission may annually fund the following operating programs as another component of the Regional Traffic Relief Plan:

(1) Golden Gate Express Bus Service over the Richmond Bridge (Route 40). Two million one hundred thousand dollars (\$2,100,000).

(2) Napa Vine Service terminating at the Vallejo Intermodal Terminal. Three hundred ninety thousand dollars (\$390,000).

(3) Regional Express Bus North Pool serving the Carquinez and Benicia Bridge Corridors. Three million four hundred thousand dollars (\$3,400,000).

(4) Regional Express Bus South Pool serving the Bay Bridge, San Mateo Bridge, and Dumbarton Bridge Corridors. Six million five hundred thousand dollars (\$6,500,000).

(5) Dumbarton Rail. Five million five hundred thousand dollars (\$5,500,000).

(6) San Francisco Bay Area Water Emergency Transportation Authority, Alameda/Oakland/Harbor Bay, Berkeley/Albany, South San Francisco, Vallejo, or other transbay ferry service. A portion of the operating funds may be dedicated to landside transit operations. Fifteen million three hundred thousand dollars (\$15,300,000).

(7) Owl Bus Service on BART Corridor. One million eight hundred thousand dollars (\$1,800,000).

(8) MUNI Metro Third Street Light Rail Line. Two million five hundred thousand dollars (\$2,500,000) without escalation.

(9) AC Transit Enhanced Bus Service on Telegraph Avenue, International Boulevard, and East 14th Street in Berkeley-Oakland-San Leandro. Three million dollars (\$3,000,000) without escalation.

(10) TransLink, three-year operating program. Twenty million dollars (\$20,000,000) without escalation.

(11) San Francisco Bay Area Water Emergency Transportation Authority, regional planning and operations. Three million dollars (\$3,000,000) without escalation.

(e) For all projects authorized under subdivision (c), the project sponsor shall submit an initial project report to the Metropolitan Transportation Commission before July 1, 2004. This report shall include all information required to describe the project in detail, including the status of any environmental documents relevant to the project, additional funds required to fully fund the project, the amount, if any, of funds expended to date, and a summary of any impediments to the completion of the project. This report, or an updated report, shall include a detailed financial plan and shall notify the commission if the project sponsor will request toll revenue within the subsequent 12 months. The project sponsor shall update this report as needed or requested by the commission. No funds shall be allocated by the commission for any project authorized by subdivision (c) until the project sponsor submits the initial project report, and the report is reviewed and approved by the commission.

If multiple project sponsors are listed for projects listed in subdivision (c), the commission shall identify a lead sponsor in coordination with all identified sponsors, for purposes of allocating funds. For any projects authorized under subdivision (c), the commission shall have the option of requiring a memorandum of understanding between itself and the project sponsor or sponsors that shall include any specific requirements that must be met prior to the allocation of funds provided under subdivision (c).

(f) The Metropolitan Transportation Commission shall annually assess the status of programs and projects and shall allocate a portion of funding made available under Section 30921 or 30958 for public information and advertising to support the services and projects identified in subdivisions

(c) and (d). If a program or project identified in subdivision (c) has cost savings after completion, taking into account construction costs and an estimate of future settlement claims, or cannot be completed or cannot continue due to delivery or financing obstacles making the completion or continuation of the program or project unrealistic, the commission shall consult with the program or project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the program or project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or reassign some or all of the funds to another project within the same bridge corridor. If a program or project identified in subdivision (c) is to be implemented with other funds not derived from tolls, the commission shall follow the same consultation and hearing process described above and may vote thereafter to reassign the funds to another project consistent with the intent of this chapter. If an operating program or project as identified in subdivision (d) cannot achieve its performance objectives described in subdivision (a) of Section 30914.5 or cannot continue due to delivery or financing obstacles making the completion or continuation of the program or project unrealistic, the commission shall consult with the program or the project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the program or project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or to reassign some or all of the funds to another or an additional regional transit program or project within the same corridor. If a program or project does not meet the required performance measures, the commission shall give the sponsor a time certain to achieve the performance measures before reassigning its funding.

(g) If the voters approve a toll increase pursuant to Section 30921, the authority shall within 24 months of the election date, include the projects in a long-range plan that are consistent with the commission's findings required by this section and Section 30914.5. The authority shall update its long-range plan as required to maintain its viability as a strategic plan for funding projects authorized by this section. The authority shall by January 1, 2007, submit its updated long-range plan to the transportation policy committee of each house of the Legislature for review.

(h) If the voters approve a toll increase pursuant to Section 30921, and if additional funds from this toll increase are available following the funding obligations of subdivisions (c) and (d), the authority may set aside a reserve to fund future rolling stock replacement to enhance the sustainability of the services enumerated in subdivision (d). The authority shall, by January 1, 2020, submit a 20-year toll bridge expenditure plan to the Legislature for adoption. This expenditure plan shall have, as its highest priority, replacement of transit vehicles purchased pursuant to subdivision (c).

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments

sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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