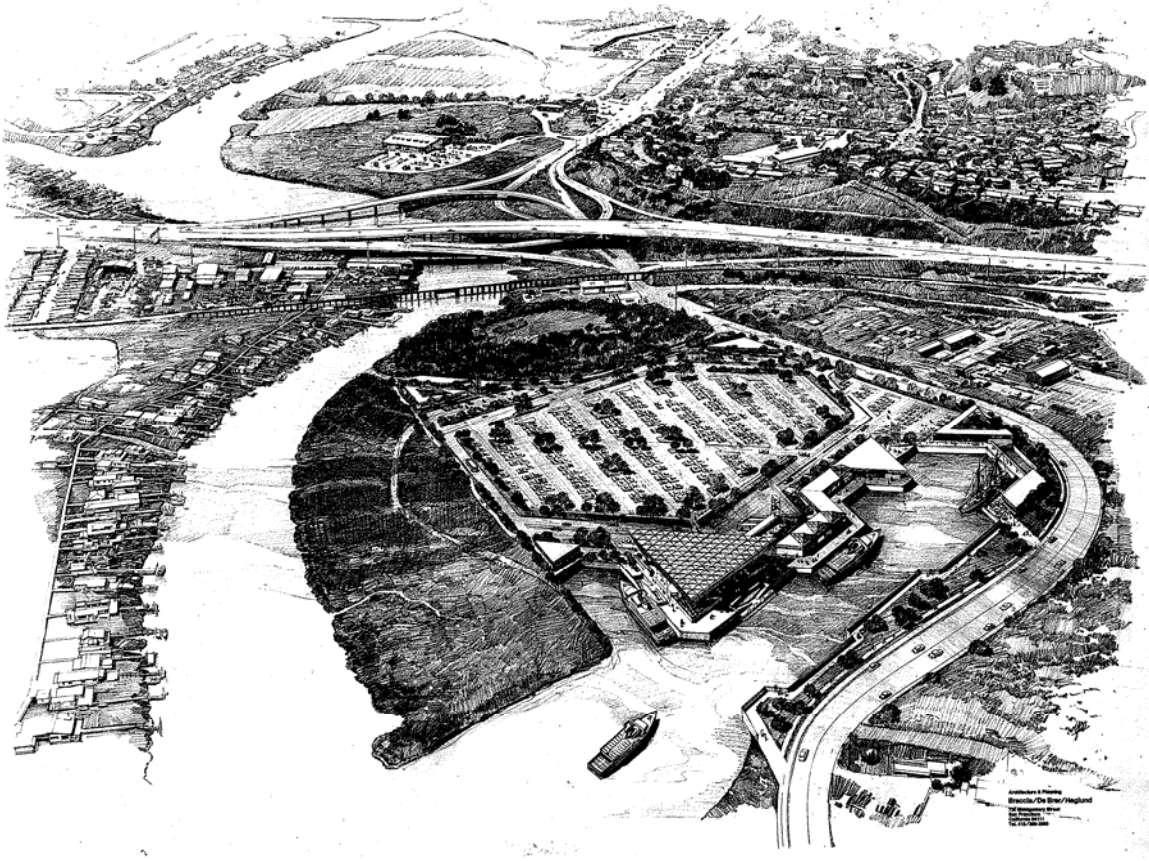

**FERRY DIVISION
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From Braccia/DeBrer/Hegland's Site Master Plan, Larkspur Ferry Terminal, 1973

FERRY DIVISION PROFILE

In November 1969, the California State Legislature authorized the District to develop a plan for mass transit in the Golden Gate Corridor. The plan called for all forms of transit, including ferry. On August 15, 1970, the District began its ferry service from Sausalito to San Francisco. In 1976, ferry service began between Larkspur and San Francisco.

The Ferry Division is responsible for the operation of 5 vessels, 3 conventional mono-hull spauldings and 2 high-speed catamarans operating the following routes for a total of approximately 17,603 yearly crossings:

- Larkspur/San Francisco/Larkspur; 41 weekday crossings, 9 weekend crossings.
- Sausalito/San Francisco/Sausalito; 18 weekday crossings, 13 weekend crossings.
- Seasonal service from Larkspur to AT&T Park; approximately 168 crossings (depending on the San Francisco Giants schedule).

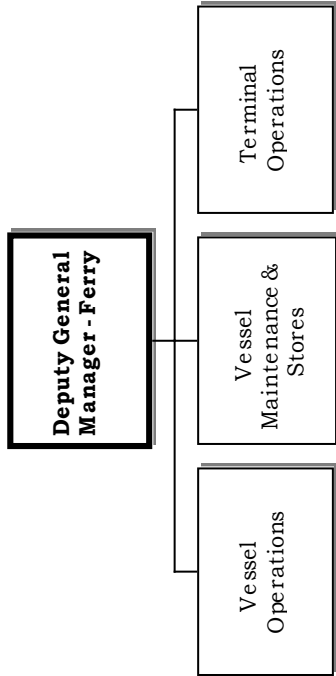
Special service runs are provided for Board of Directors authorized special events such as the “Bay to Breakers.” The Ferry Division is also responsible for the daily maintenance of all its vessels, landside terminal operations, fuel storage and the Larkspur parking lot.

The Deputy General Manager of the Ferry Division is responsible for three (3) major organizational units:

- Vessel Operations – Includes all Vessel Masters and Deckhands.
- Vessel Maintenance – Includes Vessel Mechanics, Marine Engineer and Superintendent.
- Terminal Operations – Includes Terminal Assistants and Ticket Agents.

The Ferry Division recently completed security improvements at both the Larkspur and San Francisco terminals. Over the next twelve months, additional improvements are planned at the Larkspur and Sausalito terminals as well as onboard the vessels.

FERRY DIVISION



FY 08/09 FERRY DIVISION GOALS AND WORKPLANS

GOAL: Develop Standard Operating Procedures and Personnel Qualifications to Maintain Safe, Reliable and Efficient Ferry Service.

Budgeted activities to achieve goal:

- Continue work with the United States Coast Guard (USCG) and industry associations to develop acceptable practices and technology for passenger screening.
- Make revisions as necessary to the Ferry Division's Operations/Safety/Training Manual.
- Finalize requirements for the Senior Deckhand program to satisfy minimum regulatory requirements. Develop program to certify qualifying Deckhands.
- Implement programs necessary to develop management skills of vessel captains and other front supervisors. Implement Captain training program.
- Continue personnel training programs incidental to security/safety drills. Complete Bay Area security/training exercise as funded by security grant program.
- Establish training standards for customer service personnel.

GOAL: Improve Fare Box Recovery.

Budgeted activities to achieve goal:

- Complete design and Request for Proposals for procurement and installation of new ticketing and fare collection equipment.
- Establish physical and procedural inventory-control measures. Maintain only required inventory levels.
- Continue marketing efforts to increase weekend, holiday and mid-day (non-commute) ridership.
- Continue discussions for opportunities to expand service including other routes, i.e., Tiburon, Angel Island and Port Sonoma.
- Develop necessary projects to support short and long range plan for parking expansion.
- Secure funding for long-term parking improvements.

GOAL: Continue Upgrade and Improvements to Fleet.

Budgeted activities to achieve goal:

- Complete engineering and bid documents necessary to re-power and refurbish the M/V Del Norte.

- Complete re-power/refurbishment of M/V Del Norte.
- Continue research and development of practical and cost-effective technology to reduce vessel exhaust emissions.
- Plan and implement interior upgrades to Spaulding vessels, M/S San Francisco and Sonoma.
- Explore alternative funding sources for Spaulding vessel maintenance and upgrades.

GOAL: Complete Improvements and Refurbishment of Shop Space.

Budgeted activities to achieve goal:

- Begin engineering necessary to refurbish and upgrade Ferry Division shop spaces.
- Secure funding to accomplish construction.

GOAL: Continue Implementation of Financial and Maintenance Management Systems.

Budgeted activities to achieve goal:

- Complete system hierarchy for maintenance management system.
- Complete development of preventative maintenance job plans for vessels and facilities.
- Continue training of personnel in IFAS and Spear applications.

GOAL: Maintenance and Improvements of Vessels and Facilities.

Budgeted activities to achieve goal:

- Complete development of conceptual study, detailed design and construction documents necessary to construct accessible and efficient marine facilities for passenger boarding and vessel repairs.
- Develop planned maintenance approach to maintain existing passenger boarding facilities and marine floats.
- Continue to improve customer amenities at Larkspur terminal.

CHANGES FROM FY 07/08 ACTUAL TO FY 08/09 ADOPTED BUDGET

Revenues

The Ferry Division's FY 08/09 Adopted Revenues of \$14.4 million consists of:

- \$10.7 million from Fares
- \$3.7 million from Federal, State and Local Operating Grants and Other Operating Income

Ferry Division's Adopted Revenues for FY 08/09 will increase by \$1.1 million (8.1%) from FY 07/08 Actual. Adopted FY 08/09 Ferry Fare Revenues are projected to be \$10.7 million which is an increase of 8.6% or \$848,000 from FY 07/08 Actual. The projection is based on a 5% increase in fares and a slight increase in patronage. This increase in cash-paying customers paying full fares makes up the additional 3.6% increase in fare revenue.

Expenses

The Ferry Division's FY 08/09 Adopted Operating Expenses total \$27.4 million. The Ferry Division's FY 08/09 Adopted Budget contains a \$2.2 million (8.8%) increase over FY 07/08 Actual. The Ferry Division budget reflects a decrease in overall salaries; the cost-of-living increase is offset by one-time labor expenses in FY 07/08. In addition, more labor costs are projected to be charged to capital projects in FY 08/09, therefore reducing the operating budget. Fuel increase from the FY 07/08 Actual reflects the rising trend in fuel costs. In addition, the Ferry Division anticipates increases in legal fees due to claims directly charged to Ferry activities.

The chart on the following page details the \$2.2 million increase from the FY 07/08 Actual expense to FY 08/09 Adopted Budget for the Ferry Division.

**Summary of Changes from FY 07/08 Actual to
FY 08/09 Adopted Budget
(All Figures in Millions)**

Labor

Negotiated cost-of-living increase to salaries and payroll fringes	\$0.2
Labor costs charged to capital projects	(0.6)
Projected increase in medical expenses	0.3
Increase in postemployment benefits (OPEB)	0.1
Decrease in workers' compensation due to one-time higher costs not anticipated for FY 08/09	(0.2)
Non-recurring labor expenses in FY 07/08	(0.1)

Professional Services

Increase in legal fees due to claims directly charged to Ferry activities	0.3
One-time costs in FY 07/08 due to emergency facility repair	(0.5)
Re-funded FY 07/08 professional services unused in the District Division allocated to the Ferry Division	0.2
Less scheduled dry docking for FY 08/09	(0.1)

Supplies and Other

Increase to fuel costs projected at \$3.00/gallon	0.9
Increase for insurance expenses due to one-time reimbursement in FY 07/08	0.2
Re-funding of leases, utilities and training for FY 08/09	0.1

Capital Contribution and Depreciation

Increase in Capital Contribution	1.1
Increase in Depreciation	0.3

TOTAL CHANGE FROM FY 07/08 ACTUAL TO FY 08/09 ADOPTED BUDGET	\$2.2
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FERRY DIVISION OPERATING BUDGET

	FY 06/07 ACTUAL	FY 07/08 BUDGET	FY 07/08 ACTUAL	FY 08/09 ADOPTED BUDGET
REVENUES				
Transit Fares	\$9,165,546	\$9,670,000	\$9,861,074	\$10,709,100
Other Operating Income	871,427	340,400	581,967	327,000
State Operating Income	2,633,851	2,790,800	2,795,822	3,313,800
Federal Operating Income	26,906	268,000	120,321	88,100
TOTAL REVENUES	\$12,697,730	\$13,069,200	\$13,359,184	\$14,438,000
Percent Change				
		2.9%	2.2%	8.1%
EXPENSES				
Salaries	\$7,383,738	\$8,479,300	\$8,487,786	\$8,070,700
Fringe Benefits*	4,383,405	5,357,100	5,378,674	5,471,800
Professional Fees	1,818,874	2,776,000	2,800,021	2,720,800
Fuel & Related Taxes	3,493,679	4,547,300	4,529,367	5,430,600
Repair & Operating Supplies	918,508	1,077,300	1,023,730	1,029,800
Insurance, Taxes & Permits	980,111	638,500	598,103	838,300
Purchased Transportation	0	4,000	1,399	4,000
Staff Development	141,712	214,500	155,837	213,500
Leases & Rental	34,768	61,100	33,920	66,400
SUBTOTAL EXPENSES	\$19,154,795	\$23,155,100	\$23,008,837	\$23,845,900
Capital Contribution	1,367,800	1,100,000	1,100,000	2,200,000
Depreciation	764,100	1,077,500	1,088,183	1,359,700
TOTAL EXPENSES	\$21,286,695	\$25,332,600	\$25,197,020	\$27,405,600
Percent Change				
		19.0%	-0.5%	8.8%
REVENUES OVER/(UNDER) EXPENSES	(\$8,588,965)	(\$12,263,400)	(\$11,837,836)	(\$12,967,600)
PATRONAGE	2,024,935	2,135,000	1,979,435	2,043,000

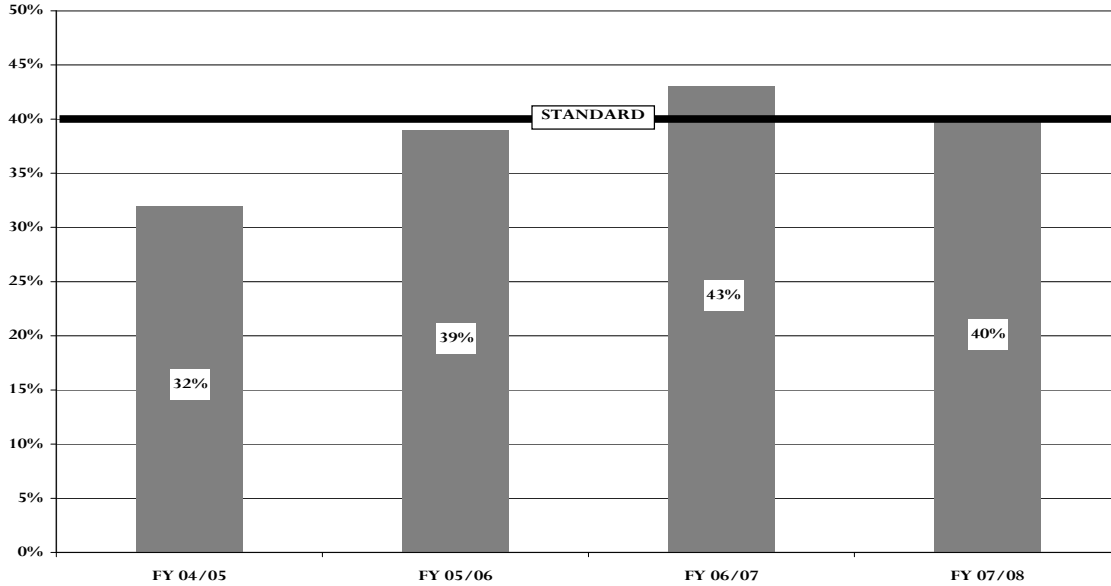
* OPEB costs are included in Fringe Benefits. FY 07/08 and FY 08/09 reflect adoption of GASB 45 which accrues for OPEB costs based on the Annual Required Contribution (ARC) for OPEB benefits. FY 06/07 reflects "pay-as-you-go" retiree health benefits and does not include any accrual of retiree health benefits.

Assumptions:

- Negotiated salary increase for Represented and Non-Represented employees.
- Includes Employer PERS contribution (16.656%).
- \$3.00/gallon for fuel costs for the Ferry Division.
- All fiscal years show the transfer of District Division expense by line item.
- The Ferry Division's share of the District Division transfer is \$4.7 million.
- Salaries include \$750,000 for casual employees for workforce relief and extra work assignments.

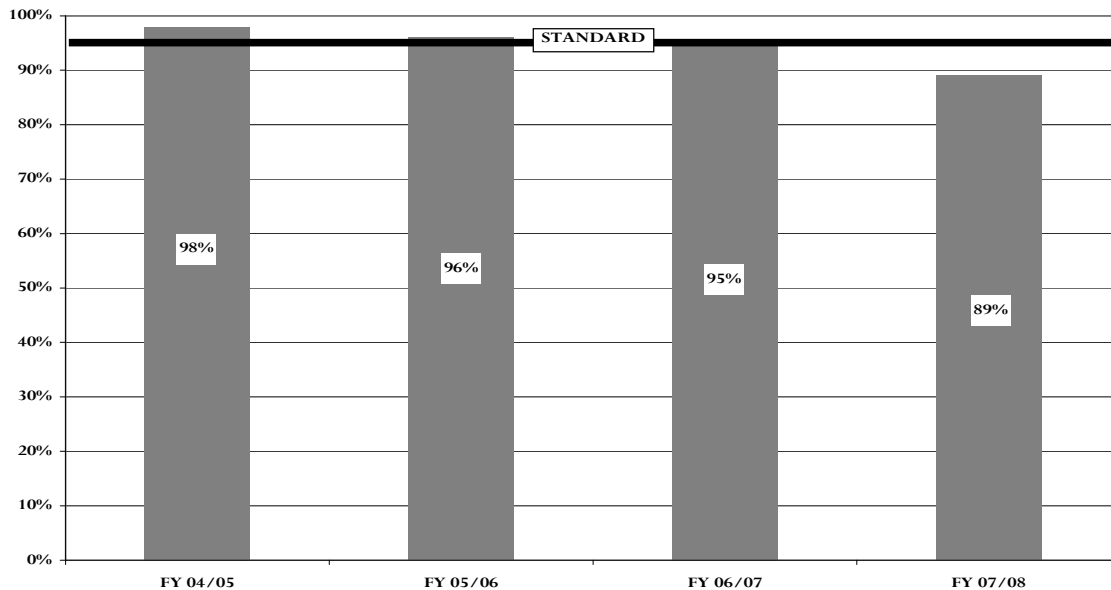
FERRY DIVISION – PERFORMANCE MEASURES

Ferry Transit Farebox Recovery Ratio



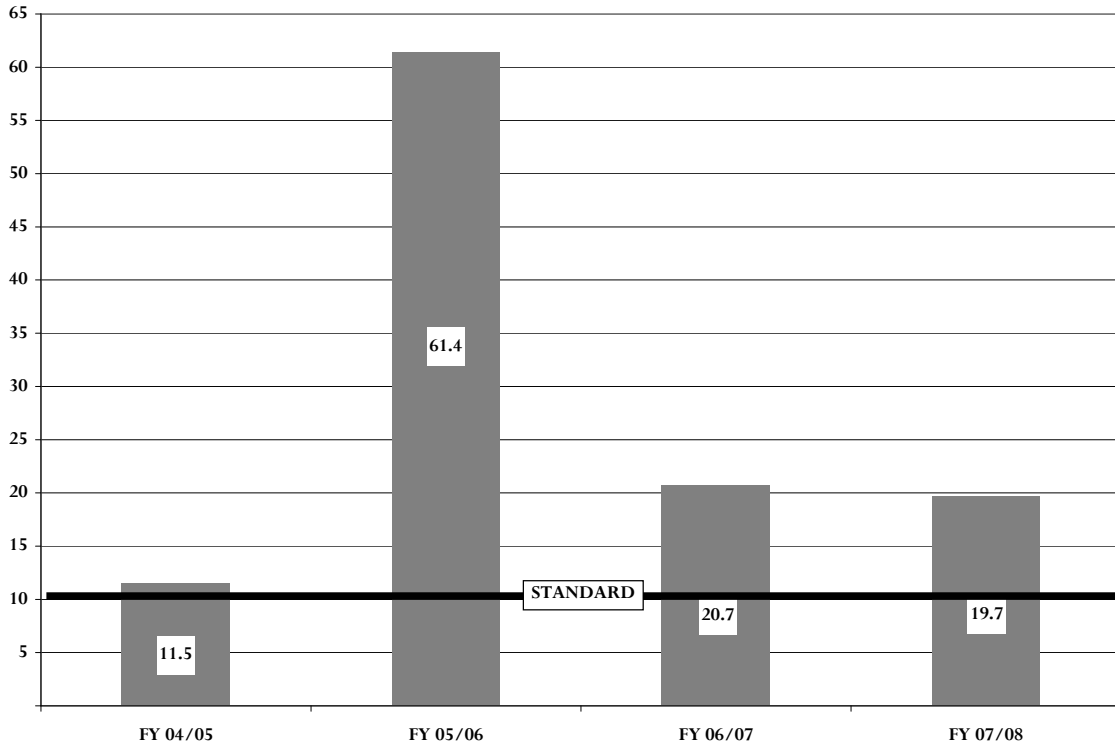
Measure: Farebox Recovery – Fare revenue as a percentage of operating expense.
Standard: 40%.

Ferry Transit Percentage of Trips Operating On-Time



Measure: Scheduled service times and actual service times at key time points.
Standard: Operate on-schedule 95% of the time.

Ferry Mechanical Failure Rate
All Chart Numbers Shown in Thousands



	FY 04/05	FY 05/06	FY 06/07	FY 07/08
Mechanical Failures	16	3	9	10
Revenue Miles	184,041	184,147	186,609	196,734
Miles/Breakdown	11,503	61,382	20,734	19,673

Measure: Miles Between In-service Mechanical Failures.
Standard: No More Frequent Than One Per Every 10,000 Miles.

Ferry Passengers Per Revenue Hour

	Standard	FY 04/05	FY 05/06	FY 06/07	FY 07/08
Time of Day					
AM Peak	150	194	207	218	212
Midday	100	77	80	90	83
PM Peak	150	140	147	161	149
Weekend	100	137	145	162	157
TOTAL SYSTEM		129	136	148	140

Measure: Ferry Passengers Per Service (Revenue) Hour.

Standard: Ferry Service Productivity Standards Are At Least 150 Passengers Per Hour
for Peak Hours and 100 for Off-peak Hours.

FERRY DIVISION CAPITAL BUDGET

Program Summary

The FY 08/09 Capital Budget for the Ferry Division totals \$4.3 million; representing 12% of the total agency's capital budget and funded with \$1.1 million District funds and \$3.2 million Other (grant) funds.

Major work and financial investment in FY 08/09 focuses on constructing the Larkspur Ferry Terminal (LFT) Parking and Access Improvements, beginning the modification of the LFT Bathroom Access & Passenger Roof, re-powering the M.V. Del Norte and the M.S. San Francisco, awarding the contract for Berth Dredging, awarding the contract for construction of the High Speed Passenger Ferry and completing the installation of the Security Shelter and Additional Surveillance Equipment.

Ferry Division Capital Budget

CAPITAL EXPENDITURES

PROJECT DESCRIPTION	TOTAL PROJECT	PRIOR YEARS	FY 08/09 BUDGET	FUTURE YEARS
NEW PROJECTS				
Replace Incidental to Fuel Farm System Leak Detection	\$ 150,000	\$0	\$ 10,000	\$140,000
Secure Fendering and Oil Containment Systems	75,000	0	5,000	70,000
SFFT Refurbish Public Rest Room Facilities	250,000	0	25,000	225,000
Larkspur & San Francisco Ferry Utility System Rehab	800,000	0	80,000	720,000
LFT Parking Garage	21,000,000	0	200,000	20,800,000
LFT Bathroom and Access and LFT Passenger Roof	370,000	0	370,000	0
Replace & Upgrade Spaulding Vessel Electrical Components	50,000	0	5,000	45,000
Install Solid Ballast in Spaulding Vessels	150,000	0	10,000	140,000
Main Propulsion Component Replacement	100,000	0	10,000	90,000
Repower M. V. Del Norte	3,500,000	0	50,000	3,450,000
Repower M.S. San Francisco	105,400	0	50,000	55,400
CONTINUING PROJECTS				
Spaulding Refurbishment	7,871,000	7,775,400	95,600	0
Communications & Surveillance Equipment	245,000	98,200	146,800	0
Repower MV Mendocino	3,172,000	3,042,000	130,000	0
Concept & Design for Change of Gangways & Piers	2,000,000	1,900	100,000	1,898,100
Berth Dredging	1,500,000	49,700	150,000	1,300,300
High-Speed Passenger Vessel	12,000,000	51,600	400,000	11,548,400
Ferry Faregates and Ticket System	1,600,000	146,000	10,000	1,444,000
Security Shelter and Add'l Surveillance Equipment	325,000	0	325,000	0
Corte Madera Marsh Restoration	1,170,000	228,700	10,000	931,300
LFT Parking and Access Improvements	1,970,000	4,300	1,965,700	0
Replace Deck Covering on Vessels	13,000	0	13,000	0
Misc. Facilities Rehab. (Admin. Bldg.)	613,900	614,800	-900	0
FY 08/09 Capital Equipment	120,000	22,000	98,000	0
TOTAL CAPITAL EXPENDITURES	\$59,150,300	\$12,034,600	\$4,258,200	\$42,857,600

CAPITAL FUND SOURCE

DISTRICT	\$10,250,500	\$2,428,000	\$1,092,600	\$6,730,000
OTHER	48,899,800	9,606,600	3,165,600	36,127,600
TOTAL	\$59,150,300	\$12,034,600	\$4,258,200	\$42,857,600

New Projects

The FY 08/09 proposed Ferry Division capital program includes 11 new projects totaling \$26.6 million that will be funded with \$5.4 million, or 20% District funds, and \$21.2 million or 80% with Other (grant) funds. This program is described on the following page.

Project Description	Project Type	Total Budget	FY 08/09 Budget	Future Years	Funding District	Funding Other
Replace Incidental to Fuel Farm System Leak Detection	Equipment Rehabilitation	\$150,000	\$10,000	\$140,000	100%	0%
This project will repair and/or replace existing fuel farm leak detection and monitoring system to ensure immediate detection of any leakage from the fuel farm & associated piping with streamlined processes for receiving the fuel tank at the farm and the pumping of fuel onboard vessels.						
Purchase Fendering & Oil Containment Systems	Security Improvements	\$75,000	\$5,000	\$70,000	20%	80%
This project will design, construct, and install a secure fendering system to be used during times of heightened security.						
Refurbish SFFT Public Restroom Facilities	Facilities Rehabilitation	\$250,000	\$25,000	\$225,000	100%	0%
This project will redesign and refurbish the 4 public restrooms at the SFFT to meet current ADA requirements.						
Larkspur & San Francisco Ferry Utility System Rehabilitation	Facilities Rehabilitation	\$800,000	\$80,000	\$720,000	20%	80%
This project will remove and replace deteriorated utility hangers and piping, as well as install access platforms.						
LFT Parking Garage	Facilities Rehabilitation	\$21,000,000	\$200,000	\$20,800,000	20%	80%
This project will construct a four-story parking structure (approximately 960 spaces) at the existing LFT parking lot.						
LFT Restroom and Access and Passenger Roof	Facilities Rehabilitation	\$370,000	\$370,000	\$0	100%	0%
This project will remodel the existing restrooms & access at the LFT to meet ADA requirements.						
Replace & Upgrade Spaulding Vessel Electrical Components	Equipment Rehabilitation	\$50,000	\$5,000	\$45,000	100%	0%
This project will replace electrical motor controllers, alarm panels, heaters and monitors as necessary.						
Install Solid Ballast in Spaulding Vessels	Mandatory	\$150,000	\$10,000	\$140,000	100%	0%
This project will install ballast in voids to bring vessel into proper trim.						
Main Propulsion Component Replacement	Equipment Rehabilitation	\$100,000	\$10,000	\$90,000	20%	80%
This project will replace main propulsion components, including: coolers, fuel pumps, cylinder heads, cylinder kilts, turbo-chargers, water jet parts, etc.						
Repower M.V. Del Norte	Equipment Rehabilitation	\$3,500,000	\$50,000	\$3,450,000	0%	100%
This project will replace main engines and other propulsion equipment. Main engines will be replaced with tier 2 engines. Other auxiliary machinery such as generators and equipment will also be replaced.						

Project Description	Project Type	Total Budget	FY 08/09 Budget	Future Years	Funding District	Funding Other
Repower M.S. San Francisco	Equipment Rehabilitation	\$105,400	\$50,000	\$55,400	0%	100%
This project will replace two engines and other propulsion equipment. Engines will be replaced with tier 2 engines. Other auxiliary machinery such as generators and equipment will also be replaced.						

Revised Projects

No revisions have been made to existing Ferry projects.

FY 07/08 Program Accomplishments

Capital expenditures for the Ferry Division during FY 07/08 total \$5.1 million, funded with \$1.1 million or 22% District funds and \$3.9 or 78% Other (grant) funds. Total expenditure includes FY 07/08 expenditures on completed projects and FY 07/08 expenditures on multi-year projects that will be completed in future years.

During the year, the consultant completed a bathymetric survey and determined that dredging the berth was not warranted for FY 07/08, however, berth dredging is scheduled to be performed in FY 08/09. Also, specifications and bid documents for the New High Speed Passenger Ferry were completed as well as the technical specifications and review of the total project cost of the Ferry Faregates and Ticket System. The Ferry projects that were completed in FY 07/08 are summarized below.

Projects Completed in FY 07/08

FERRY DIVISION PROJECT DESCRIPTION	PROJECT BUDGET	PRIOR YEARS	FY 07/08 BUDGET	FY 07/08 ACTUAL	TOTAL EXPENDITURES
Ice Machines for Vessels	17,000	0	17,000	14,213	14,213
Supplies Storage & Inspection Station	495,250	6,807	488,443	488,410	495,217
Ferry Fuel Piping System Replacement	815,100	475,579	339,521	328,941	804,520
Upgrade Navigation Equipment (AIS) Spauldings	45,000	0	45,000	36,332	36,332
Main Propulsion Equipment	85,000	0	85,000	74,496	74,496
TOTAL FERRY PROJECTS	\$1,457,350	\$482,386	\$974,964	\$942,392	\$1,424,778

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Ferry Division Personnel Summary by Department – FY 08/09

<u>District Staffing by Dept.</u>	FY 06/07 Year- End	FY 07/08 Budget	FY 07/08 Year- End	FY 08/09 Budget	Net Change FY 07/08 to FY 08/09	Notes
THE FERRY DIVISION						
FERRY VESSEL OPERATIONS 410						
Supervising Vessel Master	1	1	1	1	0	
Vessel Master	12	12	12	12	0	
Vessel Master Baseball	1	1	1	1	0	
Deckhand	16	16	16	16	0	
Deckhand Lead	8	8	8	8	0	
Deckhand Baseball	2	2	2	2	0	
Maintenance Deckhand	1	1	1	1	0	
TOTAL	41	41	41	41	0	
FERRY TERMINAL OPERATIONS 420						
Admin Assistant/Crew Resources	1	1	1	1	0	
Operations Supervisor	4	4	4	4	0	
Operations Supervisor P.T.	1	1	1	1	0	
Terminal Assistant	6	7	7	7	0	
Terminal Ops Superintendent	1	1	1	1	0	
Ticket Agent	6	7	7	7	0	
Ticket Agent Part Time	1	0	0	0	0	
Ticket Agent Baseball	1	1	1	1	0	
TOTAL	21	22	22	22	0	
FERRY MAINTENANCE 430						
Chief Mechanic (Day)	1	1	1	1	0	
Marine Superintendent	1	1	1	1	0	
Marine Engineer	1	0	0	0	0	
Mechanic (Day)	3	3	3	3	0	
Mechanic (Grave)	2	2	2	2	0	
Mechanic (Swing)	1	1	1	1	0	
Mechanic Lead (Day)	1	1	1	1	0	
Mechanic Lead (Grave)	1	1	1	1	0	
Mechanic Lead (Swing)	1	1	1	1	0	
Marine Storekeeper	1	1	1	1	0	
Marine Projects Manager	0	1	1	1	0	
TOTAL	13	13	13	13	0	

Notes Legend: (a) Reclassification; (b) Added Position; (c) Position Transferred; (d) Position Eliminated

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

Ferry Division Personnel Summary by Department – FY 08/09

<u>District Staffing by Dept.</u>	FY 06/07 Year- End	FY 07/08 Budget	FY 07/08 Year- End	FY 08/09 Budget	Net Change FY 07/08 to FY 08/09	Notes
<u>THE FERRY DIVISION</u>						
FERRY PROCUREMENT 440						
Senior Buyer	1	1	1	1	0	
TOTAL	1	1	1	1	0	
FERRY GENERAL & ADMIN 490						
Administrative Assistant	1	1	1	1	0	
Deputy General Manager, Ferry Division	1	1	1	1	0	
TOTAL	2	2	2	2	0	
FERRY DIVISION TOTALS						
Total Authorized Positions	78	79	79	79	0	
Regular Positions	78	79	79	79	0	
Limited Term Positions	0	0	0	0	0	

Notes Legend: (a) Reclassification; (b) Added Position; (c) Position Transferred; (d) Position Eliminated

FY 07/08 FERRY DIVISION ACCOMPLISHMENTS

GOAL: Develop Standard Operating Procedures and Personnel Qualifications to Maintain Safe, Reliable and Efficient Ferry Service.

Accomplishments related to the above goal:

- Continued work with the United States Coast Guard (USCG) and industry associations to develop acceptable practices and technology for passenger screening.
- Continued development of the Ferry Divisions Operations/Safety/Training Manual.
- Continued development of the Senior Deckhand program to satisfy minimum regulatory requirements.
- Continued to implement programs necessary to develop management skills of vessel captains and other front supervisors.
- Continued personnel training programs incidental to security/safety drills.
- Completed the establishment of training standards for customer service personnel.

GOAL: Improve Fare Box Recovery.

Accomplishments related to the above goal:

- Continued development of design and Request for Proposals for procurement and installation of new ticketing and fare collection equipment.
- Continued marketing efforts to increase weekend, holiday and mid-day (non-commute) ridership.
- Continued discussions for opportunities to expand service including other routes, i.e., Tiburon, Angel Island and Port Sonoma.
- Completed development of short and long range plan for parking expansion.
- Completed development of short and long range plan to increase available peak commute vessel capacity.

GOAL: Continue Upgrade and Improvements to Fleet.

Accomplishments related to the above goal:

- Completed specifications and contract for construction of third high-speed vessel.
- Completed planning and engineering for re-power of M/V Mendocino.
- Continued planning effort for refurbishment of M/V Del Norte.
- Continued research and development of practical and cost-effective technology to reduce vessel exhaust emissions.

GOAL: Complete Improvements and Refurbishment of Administrative Offices and Shop Space.

Accomplishments related to the above goal:

- Completed installation of new HVAC system and refurbishment/upgrade for administrative offices.
- Continued engineering work necessary to refurbish and upgrade Ferry Division shop space.

GOAL: Maintenance and Improvements of Vessels and Facilities.

Accomplishments related to the above goal:

- Continued establishment of necessary business practices for routine maintenance of vessels and facilities.
- Continued development of RFP to accomplish conceptual study, detail design and bid documents necessary for construction of new marine facilities at the Larkspur, San Francisco and Sausalito Ferry Terminals.
- Continued to improve customer amenities at Larkspur terminal.

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