



Agenda Item No. (4)(b)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of December 19, 2019

From: James P. Swindler, Deputy General Manager, Ferry Division  
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**  
**(b) BUDGET INCREASE IN THE FY 19/20 FERRY DIVISION**  
**CAPITAL BUDGET FOR M.S. SONOMA REFURBISHMENT AND**  
**REPOWER PROJECT (PROJECT #1740)**

### **Recommendation**

The Finance-Auditing Committee recommends, in concurrence with the Building and Operating Committee at its meeting on December 19, 2019, that the Board of Directors authorize a budget increase in the FY 19/20 Ferry Division Capital Budget in the amount of \$1,000,000 for *Sonoma Refurbishment and Repower Project (Project #1740)*.

This matter will be presented to the Board of Directors at its December 20, 2019, meeting for appropriate action.

### **Summary**

At its meeting on October 26, 2018, the Board of Directors approved a one-year lease for the vessel *M.V. Millennium* from Rhode Island Fast Ferry. After delivery from Rhode Island, the one-year lease term commenced in early February 2019 and will expire on February 19, 2020. Leasing the vessel is of critical importance as it has allowed the Golden Gate Bridge, Highway and Transportation District (District) to have a replacement vessel available for service while other ferries are in the shipyard for repowering and rebuilding projects.

While some of the ferry shipyard projects are complete, the major rebuild and repower of the *M.S. Sonoma* is still ongoing and not scheduled for completion and redelivery to the District until June 27, 2020. Consequently, the District is in need of the continued use of the *M.V. Millennium* vessel for the additional time period, between the lease's current expiration of February 19, 2020 to the projected redelivery date of the *M.S. Sonoma* of June 27, 2020.

The California Air Resources Board (CARB) previously approved the District's use of the *M.V. Millennium* for one year, and CARB has now extended its approval until June 27, 2020. The owner of the *M.V. Millennium*, Rhode Island Fast Ferry, has agreed to extend the lease at the existing rate

of \$6,850 per day, for a total amount of \$883,650 for the lease extension. The District has also agreed to pay the vessel owner for on-site engineering and support services, which costs must also be extended to cover the lease extension period.

**Fiscal Impact**

The total cost of extending the lease of the *M.V. Millennium* will not exceed \$1,000,000. The lease, as well as this extension, is federally-assisted because it supports the timely completion of an active, federally funded capital project: the *M.S. Sonoma Refurbishment and Repower (Project #1740)*.