

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

(August 1, 2019)

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

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:32 p.m.

2. PLEDGE OF ALLEGIANCE/ROLL CALL

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

3. REPORT OF BOARD CHAIR

With Directors' concurrence Chair Breckenridge asked WETA Executive Director Nina Rannells to provide the first report.

Ms. Rannells reported that WETA's first Board Chair, Charlene Haught Johnson, in whose honor WETA's North Bay Operations and Maintenance Facility is dedicated and named, died Wednesday night after battling a long illness. She said Ms. Johnson had secured all initial funding required to create the first iteration of the agency, the Water Transit Authority (WTA), from the ground up, and had served as Chair for WTA and then WETA. Ms. Rannells read from Ms. Johnson's resignation letter sent to Governor Jerry Brown when she first fell ill, and said she was honored and grateful to have been able to work with this amazing and generous woman who worked tirelessly and exuberantly to turn her vision for a robust Bay Area ferry system into a reality. Ms. Rannells said that Ms. Johnson's dedication and efforts in the Bay Area will be felt for generations.

Chair Breckenridge thanked Ms. Rannells and said it was certain that without Ms. Johnson's vision, efforts, and leadership, no one would be sitting in the room today at this WETA Board meeting, and Bay Area residents would not have the ferry system they enjoy today.

Director Intintoli echoed what had been shared about Ms. Johnson and added that she had been a remarkable person with whom he had thoroughly enjoyed serving.

PUBLIC COMMENT

Jerry Bellows of MARAD said Ms. Johnson had been an outstanding WETA veteran and he was honored to have served on the WETA Board with her.

With all in agreement, the Agenda was reordered by moving Item 11 - Public Comments For Non-Agenda Items – ahead of the planned closed session recess in Item 9 so that meeting guests wishing to speak on non-agenda matters would be able to do so without having to wait for Directors to return from the closed session.

4. REPORTS OF DIRECTORS

Vice Chair Wunderman reported that while Regional Measure 3 (RM3) legal threats continued to wind their way through the courts, he has continued his work with leaders at SPUR, the Bay Area Council, and the Silicon Valley Leadership Group on a significant new infrastructure ballot mega measure called "FASTER Bay Area". He said that in the process of doing this work, he was hearing increasing calls for improving communication and collaboration between the more than two dozen Bay Area transportation agencies to better coordinate service, schedules, and fares for a more seamless rider experience.

Director Intintoli said a recent study involving the Solano County Transportation Authority - which he had not yet had the opportunity to read thoroughly - had studied various Solano County ferry routes and their potential ridership.

Ms. Rannells offered that staff could bring more details on those findings, along with more information about the evolving FASTER Bay Area measure work, to Directors for discussion at a future meeting.

Chair Breckenridge said that she would like to have a tentative plan and date for the anticipated event to celebrate the completion of the San Francisco Downtown Ferry Terminal Expansion Project early next year.

5. REPORTS OF STAFF

Ms. Rannells shared her written report with Directors. She said there had been a soft launch on July 29 of a new shuttle service between WETA's South San Francisco ferry terminal and the San Francisco International Airport. Ms. Rannells explained that initially, the service is intended to transport airport employees, vendors and contractors from the terminal to the airport. She said that WETA will be helping to promote the new service which could expand and be available to all in the future.

Ms. Rannells said she had hoped the lawsuits threatening RM3 would have been resolved by now, and her understanding was that they were being combined for representation by one attorney. She added that any change in status was not expected until September, when appeal briefs were required to be filed.

Ms. Rannells said that on July 25, staff provided coffee, donuts and fanfare at the Richmond Ferry Terminal to celebrate carrying WETA's 100,000th Richmond ferry rider since service launch on January 10. She noted that the Richmond weekend pilot service will launch this weekend and run through November 3.

Vice Chair Wunderman asked to be reminded of how WETA assigns names to its new vessels. Chair Breckenridge said Directors had reviewed the policy for naming vessels several years ago, and Ms. Rannells said staff named new vessels after constellations with an objective of choosing names with a maritime nexus.

PUBLIC COMMENT

Dr. John Cumbers of SynBioBeta said he runs an innovation network working to bring technology and economic development to the East Bay. Dr. Cumbers said he has been working with Nishan Degnarain, a World Economic Forum Special Advisor on Oceans, to bring small, autonomous, non-passenger carrying E boats to the northern waterfront in San Francisco for a race in the fall. He said he wanted WETA to be aware of this because he knows of the agency's interest in autonomous vessel technology. Dr. Cumbers said he also wanted to make Directors aware that Mr. Degnarain would be speaking in downtown Concord on August 22.

Chair Breckenridge referred Directors to a copy of a July 30 letter, signed by United States Senators Patty Murray, Dianne Feinstein, Angus King, Elizabeth Warren, Maria Cantwell, Kamala D. Harris and

Susan M. Collins that had been sent to the Chairs and Ranking Members of the Senate Committees on Environment and Public Works and Banking, Housing and Urban Affairs. She explained that the letter encouraged the recipients to include ample funding in their FAST Act reauthorization bills for public ferry systems around the country through the Federal Highway Administration and Federal Transit Administration ferry programs. Chair Breckenridge noted it appeared that at least one of the Senate committees would soon be working on the matter.

In response to a question about ridership from Vice Chair Wunderman, Ms. Rannells said that the South San Francisco ridership numbers were likely being affected by extensive construction going on in the area of the ferry terminal and a new policy at Genentech that provides employees more telecommuting flexibility. She said the construction was expected to go on for some time and noted that staff had done quite a bit of work related to emergency phone service and Clipper connectivity to prepare for the commercial construction project. It was noted that once the construction was completed, one result may be increased South San Francisco ridership.

PUBLIC COMMENT

Mr. Bellows said he wanted to call Directors' attention to the fact that the Richmond service farebox recovery rate was already at 36% after fewer than six months of the new service. He said at that rate, it was likely the Richmond service would reach the goal of 40% farebox recovery in its very first year of service.

Chair Breckenridge said the early robust Richmond service success is the primary reason driving the launch of the new weekend pilot service this weekend.

6. CONSENT CALENDAR

Director DelBono made a motion to approve the consent calendar:

- a. Board Meeting Minutes – July 11, 2019
- b. Authorize Travel for the WETA Chair to Attend the 2019 Ferries Conference in Seattle, WA

Director Intintoli seconded the motion and the consent calendar items passed.

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

7. APPROVE CONTRACT AWARD TO BAY SHIP & YACHT CO. FOR FERRY VESSEL SCORPIO QUARTER LIFE REFURBISHMENT PROJECT

Ms. Rannells referred Directors to a revised Item 7, created to replace what had been included in their Board meeting packets delivered prior to the meeting. She noted that this proposal review process had been rigorous, with very close final numbers. Answering a question from Vice Chair Wunderman, Ms. Rannells said the project's award process employed the same formula typically used for all vessel rehabilitation projects. She explained that the formula provides WETA the balance desired to ensure it can identify both a good work product *and* a good price.

Ms. Rannells introduced Engineering & Maintenance Administrator Tim Hanners who reviewed the procurement process for Directors and answered their general questions about the award to Bay Ship & Yacht Co. He noted that an important part of this refurbishment work would include upgrade of the vessel's emissions system to the most advanced technology.

In response to a question from Director Intintoli, Steve Miller from Hanson Bridgett, WETA's legal counsel, clarified that the dollar figure in the award's Resolution included the contract amount *plus* contingency.

PUBLIC COMMENT

Mr. Bellows asked what company had submitted the third proposal for this project, and for more details on the engine work related to the vessel's refurbishment.

Mr. Hanners said the third proposal had come from Mare Island Dry Dock, and the engine rebuild work for the MV *Scorpio* would be done under a separate contract the Board previously awarded to Pacific Power Group, LLC.

Director Intintoli made a motion to approve the item.

Director DelBono seconded the motion and the item passed unanimously.

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

8. APPROVE TIDELINE MARINE GROUP'S REQUEST FOR A ONE-YEAR EXTENSION TO ITS HARBOR BAY LANDING AGREEMENT

Operations Administrator Rachel Rodriguez presented this item to approve Tideline Marine Group's request for a one-year extension to its Harbor Bay Landing Agreement with WETA which was due to expire in August 2019.

It was noted that this Agreement was the first of its kind for WETA and that Directors and staff had made a considerable investment to get it right in the beginning, before the Agreement was signed.

Directors discussed concerns about labor harmony on the Tideline vessel that is being used for landings at WETA's Harbor Bay Terminal to transport an average of 12 passengers each weekday under contract with Exelixis, a private company that relocated from South San Francisco to the Harbor Bay Business Park. Ms. Rannells noted that from a staff perspective, Tideline had met the requirements for the Agreement that had been adopted by Directors, was paying its landing fees in a timely manner, and was meeting its obligations as clarified by the Board when the Agreement was executed. She said it was her understanding that Tideline was presently in discussions with Inlandboatmen's Union (IBU) about its crews. Ms. Rannells noted that the Tideline landings had not created any interference with WETA's regular Harbor Bay service.

Director DelBono expressed concern that in the six months since the Board approved the landings, Directors never received any information from Tideline about its progress on customer service for passengers or on its crews' wages and benefits. Vice Chair Wunderman said that offering this ferry service to its employees was innovative and generous of Exelixis and he wished it was helping more than just 12 employees. Director DelBono said he was also troubled by the low ridership for the service and that using public facilities funded with public money to transport 12 passengers in a private service did not sit well with him. He asked if Tideline and Exelixis had approached other businesses in Alameda to see if they would be interested in also utilizing this service. Ms. Rannells said that it was her understanding that Tideline had approached other companies but that there were no arrangements to carry others at this time. She noted that WETA's pilot run on the same route carried just one passenger and that staff's past efforts to promote this route have not garnered much interest.

PUBLIC COMMENT

City of Alameda Development Manager Eric Fonstein extended the City's support to Exelixis in their efforts to support their employees and reduce traffic congestion on Bay Area highways. He told the Board that Alameda defers to WETA on all things waterside and trusts that Directors will make an informed decision on this Item.

Tideline Director of Business Development Danielle Weerth said Exelixis had not been able to attend the meeting but had written to Tideline to request the extension. She said the company and its employees love the service and that Tideline was in talks with other companies and has signed non-disclosure agreements with them, but those discussions have not yet yielded new riders. She said it was expected that new companies will join the Tideline service in the next few months and that Tideline would put in a request to WETA when that happens so the new companies can be added to the service. Ms. Weerth said that Tideline was in the final stages of negotiating a wage and benefits package with IBU for its crews. She said Tideline had met with IBU the prior week and had a second meeting scheduled for the following week.

Robert Estrada, San Francisco Region Director of the IBU, said that discussions with Tideline have occurred, and he expected to have more the following week, but he didn't feel that the two parties were in final stages of arriving at an agreement. He said he wanted to be clear with Directors that the discussions with Tideline have been cordial and positive in tone, and he remained hopeful.

Dr. Cumbers apologized for making his earlier comment to Directors out of turn and said he sees expansive opportunity for private entrepreneurs to turn San Francisco Bay into Sydney Harbour. He said it made no sense to him for a private company to request only a year extension because nothing can be done in that short of a time period. Dr. Cumbers said he believed Tideline should request a 3 year extension so they can plan, invest and train. He added that this agreement is a risk for the business owner, and they need more time to shine. Dr. Cumbers said he was unfamiliar with ferries, with the dock being used by Tideline for this service, and with private versus public politics in the Bay Area but he would love to see 1,000 flowers bloom and have many more private ferry companies operating out on San Francisco Bay that are picking up the tab instead of having the public paying for their public ferry service. Dr. Cumbers said he would like to see WETA do everything in its power to support public ferries and get more of them into service.

Chair Breckenridge said that when WETA reaches its future objective of providing ferry service every 15 minutes, there will not be any space at its facilities for other operators to use WETA terminals for their private services. Ms. Rannells concurred and said moving WETA vessels in and out of terminals in the tight, 15 minute interval window will provide crews with ample challenge. Director Intintoli echoed the concerns expressed by Director DelBono and said if he had not heard the positive comment from Mr. Estrada in the meeting today, that he would have likely voted to not extend the contract for any time period. He said he certainly wants to hear back from Tideline on the concerns reiterated today about their crew wages and benefits and their customer service.

Director DelBono said he was encouraged to hear that Mr. Estrada felt talks with Tideline had been positive. He emphasized that he wants assurance that Tideline crews enjoy labor harmony and that Tideline pay is competitive with WETA's contractor operator Blue & Gold Fleet if they will be providing ferry service on San Francisco Bay.

Director DelBono made a motion to approve the extension for 3 months instead of 12, with the understanding that Tideline will return at the end of the 3 months to update Directors on the progress it has made with the IBU, to confirm that their crews are being paid a Bay Area region living wage, and to share their plans to support their riders with quality customer service.

Director Intintoli seconded the motion.

PUBLIC COMMENT

Ms. Weerth said that when Tideline negotiated with Exelixis for the current service, they had budgeted with the expectation that they would be paying a higher wage, but it wasn't exactly in the realm of the current discussions. She further explained that when they bring on the new companies they hope to

secure for service, they will negotiate using the higher wage numbers and pass on all of the fees for Tideline's employee benefits to those employers. Ms. Weerth clarified that Tideline can only pay those higher wages and provide benefits when they secure those new employers' business. She reiterated that once they close the business of the next group of employers, they will be able to move closer to meeting the Board's living wage and benefit objectives. Ms. Weerth said she would prefer that the extension be a year or at least 6 months, because 3 months would not give Tideline enough time to secure the new business.

Director DelBono said the contract had already run for six months and he felt that an additional 3 on top of that was fair.

Vice Chair Wunderman voted to move the item with the amendment that WETA extend the contract for 6 months, instead of 3, with a commitment from Tideline that they will provide Directors with a report on their IBU discussions at the January 2020 WETA Board meeting. He said he wanted this process to be fair for all, including for all Bay Area ferry riders, across the region's income spectrum.

Director DelBono seconded the amended motion and the item passed unanimously.

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

9. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No additional public comments were shared.

10. RECESS INTO CLOSED SESSION

The meeting was recessed into closed session at 2:39 p.m.

11. REPORT OF ACTIVITY IN CLOSED SESSION

Directors reconvened from the closed session at 4:23 p.m.

Chair Breckenridge said there were no actions to report from the closed session.

With all business concluded, the meeting was adjourned at 4:23 p.m.

- Board Secretary

END