

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

(November 7, 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 1:02 p.m.

2. PLEDGE OF ALLEGIANCE/ROLL CALL

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

Chair Breckenridge made a motion to reorder the meeting agenda by allowing comments on Item 12, as the first item after the planned closed session to allow those guests in attendance who want to speak on the Item and who have to leave the meeting early, the ability to share their comments without having to wait until the very end of the meeting when the Item was scheduled for discussion.

Director Intintoli seconded the motion and Directors all agreed to reorder as proposed to assure the speakers could be heard.

Chair Breckenridge said that anyone still in attendance at the meeting after Item 12 was discussed would be invited to share their comments, and she confirmed the Board's receipt of a number of emails from individuals who had wanted to contribute comments to Directors on Item 12 but had been unable to attend the meeting.

3. RECESS INTO CLOSED SESSION

Chair Breckenridge recessed the meeting into closed session at 1:06 p.m.

4. REPORT OF BOARD CHAIR

Chair Breckenridge reconvened the meeting from the closed session at 1:30 p.m.

Chair Breckenridge said she had recently returned from a trip to San Diego where she had learned that the United States Navy was strapped for shipyards to meet all of their vessel work requirements. She said if WETA has a shipyard locked up for a project, it would be imprudent to make any changes to those plans because the likelihood that the shipyard would subsequently be able to accommodate a new slot any time soon after was slim. Chair Breckenridge emphasized the importance of planning ahead.

Chair Breckenridge said she had also had some discussions with the Governor's military emergency response person, who she said she was pleased to report was familiar with WETA and its emergency response mandate and functions. Chair Breckenridge spoke to him about WETA's need to clarify permitting procedures for installing a temporary ferry terminal in an emergency. She said he was very interested to assist in any way needed to assure WETA understood any permitting requirements and that he would be following up with WETA and its progress.

Chair Breckenridge also noted that she was scheduled to meet with the City of Martinez the following day and that Vice Chair Wunderman may join her for that meeting.

5. PUBLIC COMMENTS IN ADVANCE OF ITEM 12 SYSTEM EXPANSION OPPORTUNITIES DISCUSSION

Joe Ernst, Principal at srmERNST and founder of Alameda Point Partners, the developer of Alameda's Site A where WETA's new Seaplane Lagoon ferry service is planned, urged Directors to adopt Option 3 for the new service to maximize service options for the new development. Mr. Ernst also thanked Directors for getting additional service out to the Harbor Bay terminal.

Trammell Crow Residential Vice President of Development Stephanie Hill said she also urged Directors to adopt Option 3 for the new Seaplane Lagoon service. She noted that an initial 300 residential units were being constructed at Site A in Phase One which were expected to be ready for occupancy in the summer of 2020. Ms. Hill added that WETA's Seaplane Lagoon ferry service was integral to the success of the development on the repurposed naval base and to future investments in the development.

John McManus, Executive Managing Director at Cushman & Wakefield which, he said, represents the City of Alameda for leasing and sales at Alameda Point, said he was in full support of Option 3. He noted that the commercial development at the Site was as important as the residential development. Mr. McManus said developers were watching to see what kind of service was going to be offered for the Seaplane Lagoon ferry and at what times of the day, and he noted that they were making their investment decisions based in part on this service outcome. Mr. McManus urged Directors to adopt Option 3 to maximize service options.

Rachel Kim said she was representing herself and over 300 working parents in Alameda. Ms. Kim asked Directors to add a 5:00 p.m. ferry from San Francisco back to Alameda so parents can pick up their children on time at 6:00 p.m. She noted that for all Alameda ferries, neither a 4:35 p.m. nor a 5:35 p.m. trip was convenient for parents, so this was a request for all ferry schedules in Alameda.

Alameda Mayor Marilyn Ezzy Ashcraft said that Ms. Kim was representative of Alameda residents who love the ferry. She said the ferry service plans and development progress at Site A were timely, and noted BART's myriad challenges and the increasing congestion in the Alameda Tube as primary reasons the service in Option 3 was what was needed and, she emphasized, was needed on *day one* of the new service. Mayor Ashcraft also commended WETA on its expedient efforts to add service during the October 22 fire that occurred on BART, something that had ended up being personally beneficial to her because her husband was trying to use BART to meet her in Oakland for a dinner date that evening and was able to easily and quickly just switch over to an added WETA ferry.

Longtime Alameda resident and 20-year ferry rider Karen Bay said she was so excited about a third ferry service coming to Alameda, and she urged Directors to adopt Option 3 to maximize service options.

Alameda Assistant City Manager Eric Leavitt urged Directors to adopt Option 3 to maximize service. He thanked WETA for its strong partnership and work with the City of Alameda.

Alameda Councilmember Jim Oddie said that the San Francisco Bay was the most underutilized asset in the Bay Area. He urged Directors to adopt Option 3 to maximize service options for Seaplane Lagoon. Councilmember Oddie also thanked Directors for their partnership with the City of Alameda.

Alameda Vice Mayor John Knox White thanked WETA for its partnership and urged Directors to adopt Option 3 for the new Seaplane Lagoon service, noting that this service option provided a visionary ridership building effort.

Chair Breckenridge thanked the City of Alameda staff and partners in attendance at the meeting for their partnership and support, and especially for their participation in WETA meetings where they have consistently shared unique perspectives on matters before the Board.

6. REPORT OF ACTIVITY IN CLOSED SESSION

Chair Breckenridge reported that two matters had been discussed in the closed session at the top of the meeting, one relating to WETA's Administrative Code and a new Human Resources policy specific to WETA's Executive Director position.

Director Intintoli made a motion to amend and adopt Resolution 2019-23 to amend and approve Board policies related to the Executive Director position.

Director DelBono seconded the motion and the resolution was unanimously adopted as amended.

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

Chair Breckenridge said the second item discussed in the closed session was a new employment agreement with the Executive Director that includes a 3 percent increase in salary effective in November and that incorporates the recent Board actions to clarify the method of delivery of the Longevity Stipend benefit offered to all staff, including the Executive Director.

Director Intintoli made a motion to adopt Resolution 2019-24 which would improve the employment agreement between WETA and its Executive Director, Nina Rannells, and amend the Administrative Code to support the longevity stipend restructuring.

Director DelBono seconded the motion and the resolution was unanimously adopted.

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

7. REPORTS OF DIRECTORS

Director Intintoli thanked the Chair for her efforts.

8. REPORTS OF STAFF

Executive Director Nina Rannells thanked the Board of Directors for the new contract and said it was an honor to serve as the Executive Director at WETA.

Ms. Rannells said that WETA's Central Bay Operations and Maintenance Facility had received a Leadership in Energy and Environmental Design (LEED) Gold certification and that WETA's new Richmond Ferry Terminal had recently received both architectural and construction awards.

Ms. Rannells noted that WETA had been forced to suspend a Vallejo trip on October 27 due to high winds. She said WETA vessels had been unable to land at Pier 41 because of the winds and explained that because the Vallejo Ticket Office had to close due to PG&E scheduled Public Safety Power Shut-off (PSPS) in the area, tickets were sold on WETA vessels and with online ticketing, and passengers had been kept in the loop on all of the changes with WETA's Bay Alerts system, the WETA website, and social media posts.

In response to a question about the power outages and their effects on WETA service from Chair Breckenridge, Program Manager/Analyst Lauren Gularte said that Governor's Office of Emergency Services (Cal OES) Maritime Security Coordinator Robert Butchart had reached out to her to understand the effect of the power outages on the ferry service and that WETA had requested a generator for the Vallejo Ferry Terminal and one for Golden Gate Ferry to use at their Tiburon Ferry Terminal. Chair Breckenridge asked if Cal OES had a system for prioritization of requested resources in response to the PSPS event. Ms. Gularte said there had not been an After-Action Meeting yet, but that she would be following up with Cal OES to debrief on the PSPS response and would make sure to understand how Cal OES prioritized resource requests and report back.

Ms. Rannells noted that Secretary of the California State Transportation Agency (CalSTA) David Kim had also reached out to WETA about the power outage to learn about possible disruptions to WETA service.

It was noted that it would be approximately 45 to 60 days before WETA could expect to hear back from the California Public Utilities Commission (CPUC) regarding its response filed to address an application by Prop SF, LLC to amend its certificate of public convenience and necessity.

Ms. Rannells said that she and other WETA staff had engaged in some good discussions with representatives from the California Air Resource Board (CARB) at the recent Passenger Vessel Association Regional Fall Conference regarding emissions compliance, including WETA's experiences and challenges related to Tier 4 engine standards. She said the CARB team had been in listening mode, and keenly interested in gathering information they could utilize in their work to issue new emissions regulations next spring.

9. CONSENT CALENDAR

Chair Breckenridge said she would like to have a comment made by Vice Chair Wunderman about contracting vehicles for the Mission Bay Ferry Terminal construction added to the October minutes draft before the minutes were approved for the permanent record.

Director Intintoli made a motion to approve the consent calendar with the requested amendment to the October Board Meeting Minutes:

- a. Board Meeting Minutes – October 3, 2019

Director DelBono seconded the motion and the consent calendar carried unanimously.

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

10. APPROVE BOARD OF DIRECTORS MEETING SCHEDULE FOR CALENDAR YEAR 2020

Chair Breckenridge introduced this item to approve WETA's Board of Directors meeting schedule for calendar year 2020. She noted that adopting the schedule now was important to assure that the meeting room could be secured. Chair Breckenridge noted that meetings outside of San Francisco, in Bay Area cities where WETA operates or may operate in the future, would not be excluded with the adoption of the proposed calendar.

Director DelBono made a motion to approve the item.

Director Intintoli seconded the motion and the item passed.

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

11. SHORT RANGE TRANSIT PLAN UPDATE

Senior Planner/Project Manager Mike Gougherty introduced WETA's newest Transportation Planner, Arthi Krubanandh, who presented this informational update on WETA's Short Range Transit Plan (SRTP). She explained that all transit operators who receive federal funding produce a SRTP as a Metropolitan Transportation Commission (MTC) requirement. Ms. Krubanandh said that the SRTP includes near term considerations for operating and capital costs and it is updated every three or four years. She said WETA's most recent SRTP was from 2016 and it is time again to begin work on a new one. Ms. Krubanandh briefly reviewed the various sections of the SRTP for Directors and said they could expect to see a draft of the updated SRTP at the December Board meeting, when they would be asked to approve the draft and open it for public comments before final adoption in the new year.

Ms. Rannells explained that creating the updated SRTP without clarity on the outcome of the legal challenges to Regional Measure 3 (RM3) would be a challenge. She added that the general sense was that RM3 funds would eventually become available to operators but said the SRTP assumptions for the first three or four years would not include any RM3 funding. Ms. Rannells said a baseline would be identified to support what WETA was already doing, with visibility also provided for what was possible with the funding moving out into future years.

12. SYSTEM EXPANSION OPPORTUNITIES DISCUSSION

Ms. Rannells presented this informational item for a discussion on WETA's system expansion opportunities. She explained that based on the Board's discussion at the October meeting about WETA's financial planning parameters, staff had understood that while Directors have visibility on WETA's financial constraints driven by anticipated RM3 funding being held up in the courts, they also want to move forward with planned expansion opportunities to the best of WETA's ability. She said the service options offered in the Item provided Directors with what is possible on a three-year financial planning horizon. Ms. Rannells explained that if RM3 funds were not available to WETA in the second year, Directors could expect staff to return with a revision of the plan to facilitate reconsideration of the way forward.

Ms. Rannells said staff recommends that WETA continue its maintenance of a two-month operating reserve, as it has historically done, and that it establish a \$10 million capital reserve fund to help ensure that WETA service would not be disrupted by cost overruns or other unforeseen circumstances. She explained that the item clarified three projects that were already underway and would be ready for implementation in the three-year projection period, with options and costs for each for Directors' consideration. She provided brief overviews of each of the three expansion projects detailed in the item; Seaplane Lagoon Ferry Service, Mission Bay Ferry Service, and Treasure Island Ferry Service, as well as considerations for WETA Fleet Expansion opportunities.

Ms. Rannells said the first project for discussion was Seaplane Lagoon in Alameda, the terminal for which was already under construction. She noted that this new service was expected to begin in August 2020, and she thanked the guests in attendance from the City of Alameda for being present to offer the Board their strong support of the project. Ms. Rannells reviewed the three service options proposed in the Item for Seaplane Lagoon, along with their associated costs, and said staff recommended Option 3 to maximize the service options at the new terminal and provide some relief to the increasing ridership demands on WETA's other Alameda service routes.

PUBLIC COMMENT

Ashley LaBass, Policy Associate at the Bay Planning Coalition (BPC), thanked WETA for its efforts to expand ferry service and said the BPC strongly supported all three of the expansion projects in the Item. She further noted that the new Seaplane Lagoon Ferry Terminal will serve not only Alameda residents, but the entire East Bay. Ms. LaBass said that all three services detailed were excellent projects because of their support of transit-oriented development on the waterfront, and she noted that the BPC

wants to encourage this sort of growth now and in the future. Ms. LaBass said that 200 of the 800 residential units being built in Alameda near the new terminal would be affordable units and that mixed-use development was also underway. She added that ferry service helped to attract investment at the site and would help to assure that the region can meet its housing goals.

Chair Breckenridge asked if staff had clarity on repayment to MTC for funds they could advance ahead of RM3 challenge resolution to move projects forward, as was requested by the Port of San Francisco (Port) to close the new Mission Bay Ferry Terminal construction gap of \$25 million. Ms. Rannells explained that the Port would use local monies to advance the project, and that if the RM3 funding does not materialize, the Port would absorb the risk. She said financial details regarding anticipated project cash flow would be provided to MTC as a part of the Letter of No Prejudice (LONP) request, so they would know in advance that WETA would expect repayment for this project once RM3 funds are available.

Director Intintoli asked if the toll issue for Treasure Island had been resolved to support transportation options on the Island, and Ms. Rannells said the matter was scheduled to be taken up in the spring. In response to a question from Director Intintoli, Ms. Rannells confirmed that WETA's Sacramento legislative representatives had worked with staff to file an application for State funds to support development of a comprehensive plan for moving towards a zero emission WETA fleet.

In response to a question from Chair Breckenridge regarding efforts to sell and replace the MV *Solano*, Ms. Rannells noted that staff would be meeting with the Federal Transit Administration (FTA) in two weeks to discuss an approach to moving this project forward. She noted that because the MV *Solano* construction had been funded in part by the FTA, WETA is required to receive FTA approval to sell the vessel and to utilize the sales proceeds to support replacement, amongst other things.

Director DelBono said all the projects detailed in the Item were important to the region and getting them all underway was very important. He said that Seaplane Lagoon had strong partnerships with entities who were following through on commitments made, and he felt it was time for WETA to move forward as planned with adoption of an Operating Agreement with Alameda in the next few months. He said that he still had outstanding questions about the Port's project labor approach to the Mission Bay terminal construction and advocated for use of a Project Labor Agreement similar to what WETA has developed for its large projects. He noted that he was also not entirely clear about whether Mission Bay or Treasure Island had priority from San Francisco's perspective. Director DelBono said he needs to hear more details and plans from the City about these two projects to help him make informed decisions on their priorities for WETA. Finally, he said that WETA fleet expansion had his full support.

Director Intintoli said he was in full support to move ahead with the Seaplane Lagoon Project and he supported the staff recommendation for the service details. Director Intintoli said he shared Director DelBono's expressed concerns about project labor on the Mission Bay project. Director Intintoli said he would like to hear from San Francisco on the Treasure Island project, noting that the Board had received conflicting information over time from various entities advocating for new Treasure Island service. He emphasized that many questions remained, and that he would like to hear the details of the current status of both projects from their representatives before he would be able to offer his support to move forward on them. Director Intintoli said that he supported the expansion vessel option and added that he would like to see WETA get to an emissions free vessel as soon as possible to at least be able to test it and see if it could really work. He said that he was as timid as anyone else about this idea, and had many concerns, but that starting with a smaller, less expensive vessel made a lot of sense. Director Intintoli commended Ms. Rannells and staff for the tremendous amount of work he said he could tell had gone into this preparing this Item.

Chair Breckenridge echoed Directors' comments about the projects detailed in the item and agreed that these are the most important projects for WETA to work towards advancing in the short-term. She said that because Seaplane Lagoon was the most mature and was ready to move forward, it made sense to approve an Operating Agreement and greenlight the new service. She said she would like to hear from San Francisco on their priority for Mission Bay and Treasure Island if WETA can only secure funds to support one or the other project without RM3 funding. She said the Board was not clear about which of the two had higher priority, and that many other questions remained. Chair Breckenridge said WETA also needed clarity on Port Commissioners' repayment expectations if the \$25 million LONP request was approved by WETA and MTC. She said WETA did not have control as to how RM3 funds would be distributed and on what kind of schedule, and that it would be important to manage expectations with the Port on repayment.

Chair Breckenridge said that she supports fleet expansion efforts as outlined in the Item. Regarding moving towards clean technology, she agreed that starting with small vessels was okay, but that WETA should use this as a bridging strategy for developing an approach to utilizing new technology on its larger fast ferries operated in the Central Bay and North Bay services.

Chair Breckenridge confirmed that the Board consensus at this time was to move forward on the Seaplane Lagoon Ferry Service. She said Directors would like to see an action item to approve an Operating and License Agreement at the December Board Meeting to facilitate moving the new service forward. She said further discussions will proceed in future meetings on the Mission Bay and Treasure Island projects once additional information has been provided to Directors to help them in their consideration of actions related to developing these two services.

Ms. Rannells confirmed that staff was motivated and excited about finding a path to new green technology options for WETA's fleet and that starting with a smaller vessel as a first step made perfect sense. She added that it was her understanding that of the two projects needing additional information – Mission Bay and Treasure Island – that Mission Bay was the higher priority. She said staff would invite project representatives to come to a future WETA meeting to share updates on their projects and to answer Directors' questions.

Chair Breckenridge thanked staff for their tremendous efforts in putting together all of the projections and details shared in the Item.

13. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No further public comments were shared.

With all business concluded Chair Breckenridge adjourned the meeting at 3:06 p.m.

- Board Secretary

END