

Members of the Board

James Wunderman, Chair
Jeffrey DelBono
Anthony J. Intintoli, Jr.
Nicholas Josefowitz

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING**
Thursday, February 13, 2020 at 1:30 p.m.
Port of San Francisco
Pier 1
San Francisco, CA

The full agenda packet is available for download at weta.sanfranciscobayferry.com

AGENDA

1. CALL TO ORDER – BOARD CHAIR
2. PLEDGE OF ALLEGIANCE/ROLL CALL
3. REPORT OF BOARD CHAIR **Information**
4. REPORTS OF DIRECTORS **Information**
Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report to be made at another meeting.
5. REPORTS OF STAFF **Information**
 - a. Executive Director's Report on Agency Projects, Activities and Services
 - b. Monthly Review of Financial Statements
 - c. Federal Legislative Update
 - d. State Legislative Update
6. CONSENT CALENDAR **Action**
 - a. Board Meeting Minutes – January 9, 2020
7. APPROVE TIDELINE MARINE GROUP'S REQUEST FOR A ONE-YEAR EXTENSION TO ITS EXISTING HARBOR BAY LANDING AGREEMENT **Action**
8. APPROVE ENTERING INTO A SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING WITH THE PORT OF SAN FRANCISCO FOR THE MISSION BAY FERRY LANDING PROJECT **Action**
9. AUTHORIZE STAFF TO REQUEST A LETTER OF NO PREJUDICE FOR THE MISSION BAY FERRY LANDING PROJECT FROM THE METROPOLITAN TRANSPORTATION COMMISSION **Action**

**Water Emergency Transportation Authority
February 13, 2020 Meeting of the Board of Directors**

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| 10. <u>APPROVE CONTRACT AWARD TO AURORA MARINE DESIGN FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE MV BAY BREEZE REPLACEMENT PROJECT</u> | Action |
| 11. <u>AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS FOR MV BAY BREEZE REPLACEMENT VESSEL CONSTRUCTION</u> | Action |
| 12. <u>AUTHORIZE STAFF TO SEEK PUBLIC INPUT ON A DRAFT FY2020/21-2024/25 FARE PROGRAM</u> | Action |
| 13. <u>SPECIAL EVENT SERVICE PLAN FOR 2020</u> | Information |
| 14. <u>PUBLIC COMMENTS FOR NON-AGENDA ITEMS</u> | |

ADJOURNMENT

All items appearing on the agenda are subject to action by the Board of Directors. Staff recommendations are subject to action and change by the Board of Directors.

PUBLIC COMMENTS WETA welcomes comments from the public. Each person wishing to address the Board of Directors is requested to complete a Speaker Card. Please forward completed Speaker Card and any reports/handouts to the Board Secretary. Speakers will be allotted no more than 3 minutes to speak and will be heard in the order of sign-up. Said time frames may be extended only upon approval of the Board of Directors.

Non-Agenda Items: A 15 minute period of public comment for non-agenda items will be held at the end of the meeting. Please indicate on your speaker card that you wish to speak on a non-agenda item. No action can be taken on any matter raised during the public comment period.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item.

WETA meetings are wheelchair accessible. Upon request, WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. In addition, WETA will arrange for disability-related modifications or accommodations including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. Please send a written request including your name, mailing address, telephone number and brief description of the requested materials in preferred alternative format and/or auxiliary aid or service at least 5 days before the meeting. Requests should be made by mail to: Board Secretary, WETA, 9 Pier, Suite 111, San Francisco, CA 94111; by e-mail to: contactus@watertransit.org; or by telephone: (415) 291-3377.

MEMORANDUM

TO: WETA Board Members

FROM: Nina Rannells, Executive Director

DATE: February 13, 2020

RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE

3 New Vessels – North Bay

This project will construct three new 445-passenger high-speed 34-knot jet propulsion vessels to support WETA's Vallejo and North Bay services. In December 2015, the Board of Directors approved a contract with Fast Ferry Management for vessel construction management services. In September 2016, the Board approved a contract award to Dakota Creek Industries for vessel construction.

The design and engineering work for the three new vessels is complete; all structural drawings have been approved. Main engine exhaust emissions testing was completed and Environmental Protection Agency (EPA) Tier 4 compliance for emissions was demonstrated at the factory. An agreement between WETA, MTU, Pacific Power Group and Dakota Creek for field testing of these first-ever MTU Tier 4 compliant engines has been finalized.

The first vessel, the MV *Pyxis*, entered service on March 1, 2019. The second vessel, the MV *Vela* entered service on August 28, 2019. The third vessel MV *Lyra* is nearing completion, sea trials are scheduled for March 2020 and delivery to the Bay Area will follow shortly thereafter.

Two New Commuter Class Vessels

This project will construct two mid-size high-speed passenger vessels with the versatility to support WETA's diverse system of routes and facilities constrained by vessel size and water depth. In March 2018, the Board approved a contract award to Glosten for Construction Management Services to support vessel construction. In October 2018, the Board approved a contract award to Mavrik Marine, Inc. for construction of an initial vessel and in December 2019 approved construction of a second, optional, vessel.

Keel laying and construction of the first vessel, MV *Dorado*, commenced on December 18, 2018. Workmanship is very good and Mavrik is using established procedures to meet WETA's expectations for quality. Hull plating and welding is mostly finished and the superstructure is being sandblasted, coated and painted. Insulation, plumbing and wiring work is in process and propulsion components are being prepared for installation. All major equipment has been ordered and there are no concerning long lead items left to be purchased. Final delivery is scheduled for June 2020. Construction of the second vessel will begin in early spring 2020 with the vessel expected to be completed in summer 2021.

Downtown San Francisco Ferry Terminal Expansion Project

This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new and existing ferry services to San Francisco. The project also includes

landside improvements needed to accommodate expected service expansion, increases in ridership and to support emergency response capabilities. Project construction is being provided by Power Engineering under a Guaranteed Maximum Price contract and construction management is being provided by Jacobs Engineering.

Construction began in February 2017 and is scheduled to be completed in March 2020. Gates F & G are complete and WETA service has been fully transitioned from existing Gate E to the new gates. The gangway and float for Gate E were removed in April and are in the process of being reinstalled at the terminal. The remaining on-site construction work will now be focused on the north side of the Agriculture Building where the contractor is proceeding with construction of a new plaza that will function as a passenger waiting and queuing area. Staff is working on plans for a grand opening of the project on March 20.

SERVICE DEVELOPMENT UPDATE

Mission Bay Ferry Landing

The Port of San Francisco released an engineering feasibility and site selection study for a future Mission Bay ferry landing in March 2016. WETA staff participated in the study and provided input regarding ferry operations and potential service models. In December 2016, the Port of San Francisco awarded a contract to COWI/OLMM to complete preliminary design, permitting and entitlement activities and began the process in partnership with WETA. To support the effort, the City and Port of San Francisco placed \$7 million in its capital budget. A project Memorandum of Understanding (MOU) between the Port and WETA was adopted by the WETA Board in January 2017, establishing roles and responsibilities for the joint development of this project. Staff has worked together with Port staff and their consultants on initial design and environmental testing activities. The environmental document, final design and permitting are complete.

In October 2019, the Port released a Request for Proposals for a Construction Manager/General Contractor-at-risk contract structure. The Port anticipates awarding an initial pre-construction contract in early 2020. In addition, in support of the eventual service, WETA staff submitted an application for state Transit and Intercity Rail Capital Program (TIRCP) funding to build a small all-electric ferry that could be operated as a shuttle to move people between the downtown ferry building and the new Mission Bay Ferry Landing.

In April 2019, the Port requested that WETA commit \$25 million of its future Regional Measure 3 funds to support terminal construction, estimated to cost approximately \$40 million, in order to fully fund project construction. WETA will consider authorizing a Memorandum of Understanding between with the Port of San Francisco along with an allocation request and Letter of No Prejudice from the Metropolitan Transportation Commission. The Board received presentations from WETA and Port staff in June 2019 and January 2020. An item seeking authorization to enter into an MOU and a resolution for a Letter of No Prejudice is included in the February board packet.

Oakland Athletics Howard Terminal Stadium Proposal

WETA staff has met on a few occasions with the Oakland Athletics organization (Athletics) and the Howard Terminal stadium development team. WETA submitted a comment letter during the scoping phase for the anticipated Environmental Impact Report (EIR) identifying terminal capacity limitations at the existing Jack London Square terminal in Oakland for consideration during the EIR process. The Athletics are currently assuming that existing commute-period ferry service will satisfy the demand from San Francisco.

Alameda Seaplane Lagoon Ferry Terminal

In April 2016, the Alameda City Council and WETA Board of Directors adopted a MOU defining a future service concept for western Alameda and identifying the terms and conditions under which a new Seaplane Lagoon Ferry Service would be implemented. The MOU defines roles and responsibilities for each party pertaining to the proposed construction of a new ferry terminal along Seaplane Lagoon on the former Naval Air Station at Alameda Point, future operation of the service and the pursuit of funds necessary to support the new service. The City contracted with Marcy Wong Donn Logan Architects to complete the final design of the ferry terminal.

The transfer of property from the City to the development team - Alameda Point Partners - included a \$10 million contribution toward the Seaplane Lagoon Ferry Terminal. The City previously secured \$8.2 million from the Alameda County Transportation Commission for the terminal and has recently committed \$2 million from City general funds. In September 2018 the Board authorized a commitment of \$2 million to the project to close a funding gap and keep the project on schedule for construction. Alameda Point Partners (APP) has begun construction on the overall Site A project and a groundbreaking for construction of the new Seaplane Lagoon terminal took place on September 12. The terminal float is currently being installed at the terminal location by Power Engineering. WETA staff is working with APP and City staff to support the construction effort and to develop plans for new service. The WETA Board and Alameda City Council adopted an Operating Agreement in December 2019 that supports transfer of the terminal waterside assets to WETA upon completion and new service start-up in August 2020. Staff has developed a marketing and communications plan to support the new Seaplane service and related changes to the Alameda/Oakland estuary services. Focused outreach is beginning in February 2020.

Redwood City Ferry Terminal

WETA prepared a draft Redwood City ferry terminal site feasibility report in 2012 in an effort to identify site opportunities, constraints and design requirements and better understand project feasibility and costs associated with the development of a terminal and service to Redwood City. During the summer of 2016, staff from the Port of Redwood City (Port), WETA and Redwood City met to redefine a ferry project and pursue feasibility study funds to move the project toward implementation.

Redwood City is leading the effort to prepare a Financial Feasibility Study and Cost Benefit Analysis Report for the Redwood City Ferry Terminal Construction and Service utilizing \$450,000 in San Mateo County Measure A transportation sales tax funds and has entered into an agreement with the San Mateo County Transportation Authority to develop and adopt the Feasibility Study and Business Plan. The feasibility study, which kicked off in February 2019 with a meeting that included a consultant team and staff from the Port and Redwood City along with WETA, is expected to be complete by June 2020. Concurrent with this activity, Redwood City, the Port and WETA staff are developing a project MOU for future Board consideration in early 2020 that defines agency roles and responsibilities for working together to advance the feasibility study and potential future terminal planning and development.

Berkeley Ferry Terminal

The proposed Berkeley service will provide an alternative transportation link between Berkeley and downtown San Francisco. In July 2019, the City of Berkeley (Berkeley) and WETA executed a MOU to proceed with the planning phase of this project, which will include a study to evaluate the feasibility of constructing a dual-use pier facility at or near the Berkeley Municipal Pier that would serve as both a ferry terminal and public access space. Upon completion, the findings of the study will be presented to the Board and City Council for consideration,

consistent with the terms of the MOU. Berkeley has contracted with GHD to support the study which is expected to require 18 months to complete. WETA and Berkeley are involved in feasibility study activities, including evaluation of landside and waterside options for developing a terminal at the existing recreational pier site on the Berkeley waterfront.

Treasure Island Ferry Service

WETA has worked with City of San Francisco staff for 10+ years to support development of the Treasure Island ferry terminal and service in conjunction with the City of San Francisco's efforts to develop the island. This project - which will be implemented by the Treasure Island Development Authority (TIDA), the San Francisco County Transportation Authority (SFCTA), acting in its capacity as the Treasure Island Mobility Management Authority (TIMMA) and the developer - has committed to implementing new ferry service between Treasure Island and downtown San Francisco consistent with the 2011 Treasure Island Transportation Implementation Plan.

Staff from SFCTA/TIMMA provided an update on the project and the transportation plan at the February and April 2019 board meetings, indicating that they hoped to advance the start of ferry service to 2021. More recently, as confirmed in a January 2020 update to the WETA Board, SFCTA/TIMMA staff has indicated that they anticipate being in a position to support launch of a new public Treasure Island ferry service in July 2023. They previously indicated that they were working toward a toll measure for TIMMA Board consideration in summer 2019, but this work has been deferred to 2020. In the meantime, the developer began construction of the ferry terminal in September 2019. WETA staff has been coordinating review of the terminal under construction with the Treasure Island developer to ensure that WETA vessels will be able to land at this terminal. In addition, staff has coordinated with SFCTA in our development of an application for state TIRCP funds to build a small all-electric ferry that could be operated on this route.

SYSTEM PLANS/STUDIES

Hovercraft Feasibility Study

This study will broadly consider the feasibility of operating hovercraft on San Francisco Bay as part of the WETA water transit system. A Hovercraft Stakeholder Committee will be assembled, comprised of hovercraft industry representatives, advocates from Bay Area public policy groups, environmental organizations and maritime industry representatives to guide the study. Staff will also convene a Hovercraft Technical Advisory Committee to review and provide input on preliminary results of the study. On September 5, the Board of Directors authorized a contract award to AECOM and staff has subsequently executed a professional services agreement for the study. Staff met with AECOM in early October to kick-off the study, which is anticipated to require 12 months to complete. The initial task for the consultant team is to review WETA's 2011 Study and update areas such as technology, environmental performance and costs. Those results are expected in early 2020 and will be brought forward for Board review and discussion.

Fare Program Renewal Study

WETA's current fare program was adopted in 2014 to promote consistent fare structures and implement small fare changes on an annual basis to ensure that WETA fares kept pace with the cost of inflation. As WETA's current fare program ends this fiscal year, a new program will need to be adopted to continue implementing annual fare changes in future fiscal years. WETA has contracted with Four Nines Technologies to provide consultant services to support development of a new multi-year fare program. In October, staff presented a set of preliminary goals and objectives for the renewal of WETA's fare program at the Board meeting. A draft fare program is being presented to the Board in February 2020 alongside a request to initiate public outreach

efforts with the goal of having a new fare program approved in April 2020 for July 1, 2020 implementation.

Short Range Transit Plan

The Metropolitan Transportation Commission (MTC) requires each transit operator receiving federal transit funding to prepare, adopt and submit a Short-Range Transit Plan (SRTP) outlining its public transit services and related operating and capital costs and projects over a ten-year projection period. These plans are used to verify compliance with various federal requirements and to validate system capital rehabilitation and replacement projects and needs submitted for funding through separate MTC and Federal Transit Administration grant processes. Pursuant to MTC requirements, staff has begun preparing an updated SRTP for FY 2019-20 to FY 2028-29. In November, an informational item of the SRTP update was provided to the Board. Staff anticipates presenting a draft of the updated SRTP to the Board in March 2020 with a request to authorize release of the plan for public input.

FASTER Bay Area Program Development

WETA's Executive Director and Planning & Development Manager are participating in a coordinated effort with the Bay Area's large transit operators to develop a program approach and projects for consideration for inclusion in the potential future FASTER Bay Area funding initiative. The Board was provided an overview of this initiative at the September meeting. Staff work to support development of the framework for the potential future measure and inclusion of WETA's program is ongoing.

EMERGENCY RESPONSE ACTIVITIES UPDATE

WETA's enabling legislation directs the agency to provide comprehensive water transportation and emergency coordination services for the Bay Area region. The following emergency response related activities are currently underway:

- Staff included some funds in the FY 2019/20 operating budget to work with Blue & Gold Fleet to conduct additional crew training on deployment of life saving equipment above and beyond United States Coast Guard (USCG) required training. This will ensure crews get hands-on training and experience in deploying the life-saving equipment (Inflatable Buoyant Apparatuses and slides) that are on all WETA vessels in a safe and controlled environment. This training is scheduled for March 2020.
- Staff is working with USCG to develop an active shooter program specifically for ferry vessel crews based on lessons learned from across the country. A table-top workshop will be scheduled in the late spring/early summer with USCG and other ferry operators on the bay to discuss lessons learned and develop a curriculum that will be consistent across the region. The curriculum will be tested during the Bay Ferry V exercise, which is currently being developed by the planning group, including the Bay Area Urban Area Security Initiative (UASI), Golden Gate Ferry, USCG as well as WETA. Bay Ferry V is scheduled for November 2020.
- WETA, USCG, Port of San Francisco, San Francisco Department of Emergency Management and Port of Oakland continue to work on a concept to develop a plan to utilize marine resources, operating when the ferry service is not operating, to provide initial transportation services to first responders after a major event such as an earthquake. For example, during the late-night hours when ferries are not operating, the tug-boats that are out on the bay may be able to provide transportation for first responders in the immediate first couple of hours until the ferry service can ramp up. While currently only a concept, if fully developed, this effort would be integrated into

WETA's emergency plans, written into the Continuity of Operations Plans for Bay Area first responder agencies and developed into a USCG plan similar to the Bay Area's Vessel Mutual Assistance Plan. This concept was discussed at the November Harbor Safety Committee meeting and assigned to both the Tug and Ferry Operator Working Groups of the Harbor Safety Committee.

OPERATIONS REPORT

Clipper 2

Staff is attending a series of discussion calls to review the concepts of Clipper 2 (C2), the upgraded CID Validator for Clipper users. These calls provide an opportunity for transit agency staff to work directly with Cubic's C2 design team to review the validator solution and its related components. The new C2 validator system is anticipated to go live in September of 2022.

WETA Provides Industry Experience for USCG Ensigns

During the week of January 13, two ensigns from the USCG Sector San Francisco Inspections Division met with WETA and Blue & Gold Fleet staff to become familiar with WETA's role and responsibilities and its vessels, operations, maintenance, and service routes. They were introduced to WETA's Strategic Plan, Emergency Operations Plan and economic conditions. They toured the Central Bay and North Bay Facilities to gain insight to technical and operational practices and challenges from operations and engineering staff. For maximum exposure to WETA service and captain and crew knowledge, they rode along in vessel pilot houses on all 5 of the WETA's service routes.

Monthly Operating Statistics - The Monthly Operating Statistics Report for December 2019 is provided as ***Attachment A***.

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On January 14, Lauren Gularte attended the quarterly Area Maritime Security Committee meeting.

On January 16, Thomas Hall participated in the Metropolitan Transportation Commission's quarterly Clipper Customer Education/Service and Distribution call with MTC staff and other regional transit operators.

On January 24, Kevin Connolly attended the West Contra Costa Transportation Advisory Committee (WCCTAC) meeting at El Cerrito City Hall to discuss a proposal for 2020 Richmond weekend service.

On January 27, Nina Rannells attended the Clipper Executive Board meeting held at MTC.

On January 29, Lauren Gularte and Blue & Gold Fleet representatives attended a Mass Rescue Operations/SF Vessel Mutual Assistance Program (SF-VMAP) meeting. USCG is conducting a regular revision of the VMAP plan and soliciting input from ferry operators.

The week of February 3, Keith Stahnke attended the Passenger Vessel Association annual convention in Tampa, Florida.

OTHER BUSINESS

Board Meeting Schedule Changes

At the request of the Chair, two Board meeting dates have been changed and posted to the WETA website. The March meeting will now be held on Thursday, March 12 and the July meeting will now be held on Thursday, July 16. Staff is working to identify a potential travel meeting schedule for the Board meetings and will bring forward a proposed schedule revision in March.

Passenger Appreciation Celebration

On January 9, WETA offered free coffee and pastries to all morning passengers on San Francisco Bay Ferry service to celebrate crossing a major milestone of 3 million passengers in 2019. This milestone was also promoted on social media and tied into the launch of a new campaign, "Ferry Tales," highlighting the positive stories of frequent ferry riders.

Regional Measure 3

In June 2018 Bay Area voters approved Regional Measure 3 (RM3) which raises Bay Area bridge tolls by \$3 over a six-year period starting with a \$1 increase on January 1, 2019, followed by additional \$1 increases in January 2022 and January 2025.

Since its passage, RM3 has been challenged by two lawsuits in the Superior Court of the City and County of San Francisco including the *Howard Jarvis Taxpayers Association, et al v. The Bay Area Toll Authority and the California State Legislature* and *Randall Whitney v. MTC*. These cases were dismissed by the Court on April 23 and June 11, 2019, respectively. A Notice of Appeal was filed by the Howard Jarvis Taxpayers Association on May 20, 2019 and in the Whitney case on July 11, 2019. These two appeal cases were consolidated on October 9, 2019. The appellants' consolidated opening brief was filed on October 29, 2019. The respondents' consolidated opposition brief was filed on December 19, 2019. The appellants' reply brief was filed in January 2020. No date for hearing has been scheduled yet.

On January 1, 2019 BATA began collecting the first dollar of the approved toll increase. Toll revenues collected are being placed into an escrow account and will not be allocated to project sponsors until the lawsuits are settled. MTC staff has prepared general guidelines for RM3 program administration for the Commission to consider in December, including a process for considering a Letter of No Prejudice, which would allow a local sponsor to move forward to spend local funds on a project that could be reimbursed later with RM3 funds if and when they are available. Staff is communicating with MTC to prepare to secure toll measure funds when they are available to support WETA's projects.

Prop SF CPUC Filing

On October 11, WETA filed a response to an application by Prop SF, LLC to amend its certificate of public convenience and necessity (CPCN) to allow Prop SF to add unscheduled, prearranged vessel common carrier service between points in San Francisco, Marin, the Peninsula and the East Bay, establish rates therefore, and a zone of rate freedom ("ZORF") of 20% for both scheduled and unscheduled services. By way of background, in 2016, Prop SF obtained a CPCN from the California Public Utilities Commission (CPUC) to provide scheduled vessel common carrier service for service routes between San Francisco, Emeryville, Berkeley and Redwood City. At the same time, another operator, Tideline Marine Group (Tideline), obtained a CPCN to provide vessel common carrier authority for both scheduled (landings in San Francisco, Berkeley and Emeryville) and unscheduled, on-call "water taxi" service (landings in San Francisco, Marin County and the East Bay). WETA filed a response to the applications, stating its position that private operators can contribute to the development of a better water

transportation system, but regulation is necessary to ensure that the private operators do not interfere with WETA's operations.

Prop SF seeks to amend its 2016 CPCN to add authorization to provide prearranged, unscheduled vessel common carrier service, which it characterizes as similar to the authority granted to Tideline in 2016. WETA's response reiterated the position expressed in the previous proceeding that while small scale water taxi operations have limited potential to affect WETA's operations, the potential for disruption to WETA's operations grows as water taxi service increases in scale. WETA's response requests that the CPUC consider further environmental review and analysis of unscheduled, prearranged service as the scope and frequency of such service intensifies, and to consider further definition of, or parameters for, unscheduled, prearranged service by private operators as to avoid interference with WETA's operations. WETA's response also recaps WETA's statutory mandate to plan, operate and manage a comprehensive water transportation system in the San Francisco Bay and WETA's interest in a regulatory approach that is consistent with that mandate. Prop SF has replied to WETA's response asserting that no further CEQA review should be required at any point, that its proposed service will not affect WETA's operations and proposes a broad definition of unscheduled, prearranged service.

The PropSF CPUC filing has been reassigned to an administrative law judge and a CPUC commissioner. The CPUC will consider the filings and determine whether a hearing is necessary and, if so, on what issues. A pre-hearing conference was held on February 4 and attended by WETA legal counsel. Based upon the discussion, which centered around better understanding and defining Prop SF's proposal, the Administrative Law Judge in charge of this case will issue a scoping memo that will lay out the issues for consideration and determine whether this matter will be heard before the CPUC or transferred to CPUC staff for decision. Staff will continue to monitor this proceeding and applications to operate similar service consistent with prior Board direction.

END

Attachment A

Monthly Operating Statistics Report December 2019

		Alameda/ Oakland	Harbor Bay *	Richmond	South San Francisco	Vallejo**	Systemwide
Boardings	vs. last month	Total Passengers December 2019	90,402	23,691	13,320	9,292	213,401
		Total Passengers November 2019	103,897	26,242	16,526	11,623	236,396
		Percent change	-12.99%	-9.72%	-19.40%	-20.06%	-9.73%
	vs. same month last year	Total Passengers December 2019	90,402	23,691	13,320	9,292	213,401
		Total Passengers December 2018	88,935	22,637		8,559	191,691
		Percent change	1.65%	4.66%		8.56%	11.33%
	vs. prior FY to date	Total Passengers Current FY To Date	768,597	176,597	115,735	73,661	1,712,672
		Total Passengers Last FY To Date	737,420	173,727		70,362	1,542,934
		Percent change	4.23%	1.65%		4.69%	11.00%
		Avg Weekday Ridership December 2019	3,469	1,077	605	422	8,688
Ops Stats		Passengers Per Hour December 2019	142	132	72	98	120
		Revenue Hours December 2019	638	179	184	95	1,777
		Revenue Miles December 2019	7,350	3,070	2,646	1,724	33,449
		Farebox Recovery Year-To-Date	67%	45%	31%	35%	58%
		Cost per Available Seat Mile - December 2019	\$0.39	\$0.46	\$0.40	\$0.57	\$0.28
		Average peak hour utilization, AM - December 2019	47%	46%	30%	42%	45%
		Average peak hour utilization, PM - December 2019	63%	54%	32%	42%	51%
Fuel		Fuel Used (gallons) - December 2019	61,439	16,595	14,507	12,357	265,823
		Avg Cost per gallon - December 2019	\$2.39	\$2.39	\$2.39	\$2.39	\$2.35

* Includes Harbor Bay-South San Francisco pilot. December ridership: 43 boardings.

**Includes backup bus boardings. December bus ridership totaled 124 for Vallejo.

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Lynne Yu, Finance & Administration Manager**

**SUBJECT: Monthly Review of FY 2019/20 Financial Statements for Six Months
Ending December 31, 2019**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2019/20 Financial Statements for six months ending December 31, 2019.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenues	\$11,202,677	\$12,260,000	\$12,492,679
Bridge Toll Revenues	8,417,661	11,071,150	8,678,907
Contra Costa Measure J	-	1,654,100	1,428,529
Other Revenues	6,750	365,700	22,600
Total Operating Revenues	\$19,627,088	\$25,350,950	\$22,622,715
Expenses - Year To Date:			
Planning & Administration	\$1,000,283	\$1,500,000	\$1,066,924
Ferry Services	18,626,805	23,850,950	21,555,791
Total Operations Expenses	\$19,627,088	\$25,350,950	\$22,622,715
System-Wide Farebox Recovery %	60%	51%	58%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2019/20 Budget
Revenues:		
Federal Funds	\$11,542,739	
State Funds	11,030,675	
Bridge Toll Revenues	3,952,483	
Other Revenues	269,858	
Total Capital Revenues	\$26,795,755	35.82%
Expenses:		
Total Capital Expenses	\$26,795,755	35.82%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

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San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Six Months Ending 12/31/2019

		Year - To - Date			% of Year Elapsed	50%
	Dec-19 Actual	FY2018/19 Actual	FY2019/20 Budget	FY2019/20 Actual	Total FY2019/20 Budget	% of Total Budget
OPERATING EXPENSES						
<u>PLANNING & GENERAL ADMIN:</u>						
Wages and Fringe Benefits	\$132,356	\$575,550	\$754,450	\$746,345	\$1,508,900	49.5%
Services	76,967	445,519	884,450	555,589	1,768,900	31.4%
Materials and Supplies	497	21,333	31,200	3,679	62,400	5.9%
Utilities	3,820	22,320	25,750	22,424	51,500	43.5%
Insurance	-	1,200	14,300	1,046	28,600	3.7%
Miscellaneous	17,734	84,026	54,800	36,237	109,600	33.1%
Leases and Rentals	31,908	189,302	192,600	193,927	385,200	50.3%
Admin Overhead Expense Transfer	(74,470)	(338,967)	(457,550)	(492,322)	(915,100)	53.8%
Sub-Total Planning & Gen Admin	\$188,812	\$1,000,283	\$1,500,000	\$1,066,924	\$3,000,000	35.6%
<u>FERRY OPERATIONS:</u>						
<u>Harbor Bay FerryService (AHBF)</u>						
Purchased Transportation ¹	\$270,196	\$1,243,276	\$1,264,950	\$1,182,380	\$2,529,900	46.7%
Fuel - Diesel & Urea	40,108	236,826	278,250	288,551	556,500	51.9%
Other Direct Operating Expenses	37,966	273,442	394,500	256,796	789,000	32.5%
Admin Overhead Expense Transfer	8,193	41,839	50,450	54,168	100,900	53.7%
Total Harbor Bay	\$356,462	\$1,795,383	\$1,988,150	\$1,781,895	\$3,976,300	44.8%
Farebox Recovery - AHBF	29%	46%	45%	45%	45%	
<u>Alameda/Oakland Ferry Service (AOFS)</u>						
Purchased Transportation ¹	\$806,484	\$4,491,673	\$4,794,250	\$4,510,229	\$9,588,500	47.0%
Fuel - Diesel & Urea	147,573	905,703	1,079,100	1,064,832	2,158,200	49.3%
Other Direct Operating Expenses	151,843	932,868	1,380,050	940,669	2,760,100	34.1%
Admin Overhead Expense Transfer	33,376	150,317	204,800	220,629	409,600	53.9%
Total Alameda/Oakland	\$1,139,276	\$6,480,561	\$7,458,200	\$6,736,359	\$14,916,400	45.2%
Farebox Recovery - AOFS	51%	63%	57%	66%	57%	
<u>Vallejo FerryService (Vallejo)</u>						
Purchased Transportation	\$898,860	\$5,271,712	\$5,933,900	\$5,639,367	\$11,867,800	47.5%
Fuel - Diesel & Urea	375,501	2,583,151	3,166,300	2,726,679	6,332,600	43.1%
Other Direct Operating Expenses	163,457	729,619	1,228,200	905,850	2,456,400	36.9%
Admin Overhead Expense Transfer	25,181	125,635	154,600	166,465	309,200	53.8%
Total Vallejo	\$1,462,999	\$8,710,118	\$10,483,000	\$9,438,360	\$20,966,000	45.0%
Farebox Recovery - Vallejo	49%	66%	57%	64%	57%	
<u>South San Francisco FerryService (SSF)</u>						
Purchased Transportation	\$151,069	\$1,212,041	\$1,202,950	\$1,078,942	\$2,405,900	44.8%
Fuel - Diesel & Urea	29,608	179,396	223,650	211,869	447,300	47.4%
Other Direct Operating Expenses	38,399	228,130	247,850	201,758	495,700	40.7%
Admin Overhead Expense Transfer	3,576	21,176	21,850	23,651	43,700	54.1%
Total South San Francisco	\$222,652	\$1,640,743	\$1,696,300	\$1,516,220	\$3,392,600	44.7%
Farebox Recovery - SSF	31%	32%	35%	37%	35%	
<u>Richmond FerryService (Richmond)</u>						
Purchased Transportation	\$196,501	<i>Richmond Ferry Service was launched in January 2019</i>	\$1,704,400	\$1,590,326	\$3,408,800	46.7%
Fuel - Diesel & Urea	35,183		276,200	252,311	552,400	45.7%
Other Direct Operating Expenses	26,029		218,850	212,910	437,700	48.6%
Admin Overhead Expense Transfer	4,144		25,850	27,409	51,700	53.0%
Total Richmond	\$261,856	\$0	\$2,225,300	\$2,082,956	\$4,450,600	46.8%
Farebox Recovery - Richmond	25%	0%	26%	31%	26%	
Sub-Total Ferry Operations	\$3,443,246	\$18,626,805	\$23,850,950	\$21,555,791	\$47,701,900	45.2%
Farebox Recovery - Systemwide	45%	60%	51%	58%	51%	
Total Operating Expenses	\$3,632,057	\$19,627,088	\$25,350,950	\$22,622,715	\$50,701,900	44.6%
OPERATING REVENUES						
Fare Revenue	\$1,533,926	\$11,202,677	\$12,260,000	\$12,492,679	\$24,520,000	50.9%
Regional - Bridge Toll	1,900,267	8,417,661	11,071,150	8,678,907	22,142,300	39.2%
Regional - Contra Costa Measure J	196,576	-	1,654,100	1,428,529	3,308,200	43.2%
Regional - Alameda Tax & Assessment	-	-	364,000	-	728,000	0.0%
Other Revenue	1,288	6,750	1,700	22,600	3,400	0.0%
Total Operating Revenues	\$3,632,057	\$19,627,088	\$25,350,950	\$22,622,715	\$50,701,900	44.6%

¹ Includes Peralta repair expenses totaling \$190,406. Cost is split between Harbor Bay Ferry Service and Alameda/Oakland Ferry Service.

San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Six Months Ending 12/31/2019

Project Description	Dec-19 Total	Total Project Budget	Total Prior Expense	Total FY2019/20 Budget	Total FY2019/20 Expense	Total Future Year	% of Total Project Budget Spent
CAPITAL EXPENSES:							
<u>FACILITIES:</u>							
Terminal Construction							
Downtown Ferry Terminal Expansion - South Basin	\$100,425	\$97,965,000	\$78,915,751	\$19,049,249	\$11,653,102	\$0	92%
Maintenance and Operations Facilities							
Ron Cowan Central Bay Operations & Maintenance Facility	737,410	69,500,000	63,197,399	6,302,601	878,988	-	92%
Terminal Improvement							
Install Mooring Piles - Harbor Bay Terminal	-	251,500	-	251,500	585	-	0%
Terminal Signage and Wayfinding - East Bay Terminals	-	135,000	-	135,000	-	-	0%
<u>FERRY VESSELS:</u>							
Vessel Construction							
445-Pax Expansion (Waterjet) Vessels - 2 vessels	1,425,261	46,745,000	28,771,355	17,973,645	9,396,928	-	82%
400-Pax Expansion (Propeller) Vessels - 2 vessels	-	33,400,000	32,943,928	456,072	-	-	99%
New Commuter Class High-Speed Vessels - 2 vessels ¹	31,784	30,082,500	7,421,609	7,878,391	2,972,535	14,782,500	35%
Vessel Replacement - M/V Bay Breeze	500	18,000,000	-	6,000,000	4,731	12,000,000	0%
Vessel Rehabilitation and Refurbishment							
Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island	426	3,000,000	877,961	2,122,039	436,968	-	44%
Vessel Qtr-Life Refurbishment - M/V Scorpio	563,174	3,005,350	70,062	2,935,288	1,164,752	-	41%
Vessel Engine Overhaul - M/V Taurus	233	800,000	198,928	601,072	86,277	-	36%
Vessel Service Life Extension - M/V Solano	-	13,000,000	145,099	10,000,901	24,571	2,854,000	1%
Vessel Engine Overhaul - M/V Argo and M/V Carina	57,821	240,000	-	240,000	59,428	-	25%
Vessel Engine Overhaul - M/V Gemini	116,227	515,350	-	515,350	116,890	-	23%
Vessel Engine Overhaul - M/V Pyxis	-	170,000	-	170,000	-	-	0%
<u>CAPITAL EQUIPMENT / OTHER:</u>							
Purchase Service Vehicles	-	185,000	-	185,000	-	-	0%
Total Capital Expenses	\$3,033,261	\$316,994,700	\$212,542,090	\$74,816,110	\$26,795,755	\$29,636,500	
CAPITAL REVENUES:							
Federal Funds	\$1,713,104	\$67,437,543	\$22,485,494	\$33,068,849	\$11,542,739	\$11,883,200	50%
State Funds	868,111	195,740,242	151,568,893	31,375,649	11,030,675	12,795,700	83%
Regional - Bridge Toll	328,534	46,896,968	37,593,689	8,732,479	3,952,483	570,800	89%
Regional - Alameda Sales Tax Measure B / BB	112,735	2,204,397	14,014	1,032,633	233,895	1,157,750	11%
Regional - Alameda TIF / LLAD / HBBPA	-	386,500	-	386,500	585	-	0%
Regional - San Francisco Sales Tax Prop K	10,777	1,100,000	880,000	220,000	35,378	-	83%
Other - Sales Proceeds	-	3,229,050	-	-	-	3,229,050	0%
Total Capital Revenues	\$3,033,261	\$316,994,700	\$212,542,090	\$74,816,110	\$26,795,755	\$29,636,500	

¹ On 12/12/2019, Board approved project budget increase of \$14,782,500, bringing the total project budget to \$30,082,500 (from \$15,300,000), to support the purchase of a second New Commuter Class Vessel.

TO: WETA Board Members

FROM: Peter Friedmann, WETA Federal Legislative Representative
Ray Bucheger, WETA Federal Legislative Representative

SUBJECT: WETA Federal Legislative Board Report – February 2020

This report covers the following topics:

1. Impeachment Proceedings Move Forward, But So Does Day-to-Day Legislating
2. House Democrats Unveil New Infrastructure “Framework”
3. T&I Committee Expected to Take Up Surface Transportation Bill in the Spring

Impeachment Proceedings Move Forward, But So Does Day-to-Day Legislating

While major media outlets have been largely focused on the impeachment proceedings over the past several weeks and while these reports give the impression that people in Washington, DC are focused on nothing else, the reality is that Congress is continuing to do its normal work, in a largely bipartisan manner. In December, in the midst of impeachment, Congress sent legislation to Congress that funds the federal government for FY2020. The legislative package that was signed into law by President Trump also included provisions related to pensions and health care benefits for coal miners; and it repealed certain health care taxes that were created by the Affordable Care Act; raised the minimum age for purchasing tobacco products to twenty-one; and extended numerous expired and expiring tax credits that are utilized by various industries.

Already in 2020, Congress has ratified the US-Mexico-Canada Agreement (USMCA), which is the trade agreement that the Trump Administration negotiated to replace NAFTA and the President has signed into law other bills that have been taken up and passed by Congress in recent weeks. This month alone, members of Congress have introduced dozens of bills on topics ranging from concussion awareness to mental health to cybersecurity. It’s true that Congress doesn’t move quickly and while it took months for the House and Senate to do this work, the point is this: impeachment is not the only thing happening in our nation’s capital.

House Democrats Unveil New Infrastructure “Framework”

House Democrats started out the new year by unveiling a new infrastructure “framework” for 2020. The document that was released is not legislation; rather it is a statement of principles and while we do not expect the House to take up a comprehensive infrastructure bill this year, we do anticipate that House leaders will introduce surface transportation legislation in the coming weeks to update DOT guidance and reauthorize funding for programs related to roads, bridges and transit – more on that below.

As part of the roll-out of the infrastructure framework, the House Ways and Means Committee held a hearing on “funding and financing infrastructure investments”. The

discussion was similar to past debates: should Congress vote to increase the gas tax; turn to a vehicle miles traveled (VMT) fee that better accounts for zero- and low-emission vehicles; or create an entirely new funding mechanism? While the gas tax has for decades generated the primary revenue source for surface transportation infrastructure and although some members of Congress support increasing the gas tax, many top Democrats and Republicans are firmly against this concept and the hearing didn't result in a clear path forward on an alternative funding source.

T&I Committee Expected to Take Up Surface Transportation Bill in the Spring

According to our discussions with House Transportation and Infrastructure (T&I) Committee staff, we expect the T&I Committee to take up a new surface transportation bill in the spring. This new bill would replace the FAST Act, which currently provides funding for highways, bridges and transit programs and expires on September 30, 2020.

As discussed previously, the surface transportation bill includes the Federal Highway Administration (FHWA) ferry formula program and the Federal Transit Administration (FTA) discretionary grant program. We will continue advocating for an increase in funding for the FTA grant program from the current \$30 million annually to a level of \$90 million annually and will be continuing to advocate for additional funding for the FHWA program. To that end, we will continue working with other public ferry systems to coordinating with Golden Gate Ferry, as well as other members of the Public Ferry Coalition to ensure that the T&I and Banking Committees are hearing from members of Congress from around the country. Members of the Public Ferry Coalition include Alaska Marine Highway, Cape May-Lewes Ferry, Casco Bay Lines, Frye Island Ferry Service, Isle Au Haut Boat Services, Maine DOT/Maine State Ferry Service, North Carolina DOT Ferry Division and Washington State DOT/Washington State Ferries.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger



NOSSAMAN LLP | Memorandum

TO: WETA Board of Directors

FROM: Nossaman LLP - Jennifer Capitolo & Nate Solov

DATE: February 5, 2020

RE: February 2020 - Legislative Update

2020 Legislative Session Began January 6

The Legislature began the second year of its two-year 2019-2020 legislative session on January 6. Bills that were introduced in 2019 that did not advance through the house of origin have the month of January 2020 to proceed in order to remain active in 2020. Any “two-year bills” that fail to advance out of the house of origin by January 31, 2020 will be considered as having failed passage and can no longer be acted upon during the 2020 Legislative Session.

At the same time, new legislation will begin to be introduced during the first two months of 2020. Newly introduced legislation will be considered in the Legislature on a standard schedule that would allow bills to be fully considered by both houses prior to the 2020 adjournment date of August 31, 2020. A summary of relevant bills to monitor is attached.

Complicating the 2020 legislative session will be the overlay of an election year and the politics associated with election year dynamics.

2020-2021 State Budget

On January 10, Governor Newsom released his proposed state budget for the Fiscal Year 2020-21. The proposed state budget reflects total expenditures of \$222 billion (up slightly over 3% from the current fiscal year), with a projected budget surplus of \$5.6 billion and \$153 billion in proposed General Fund expenditures (up 2.2% from the current fiscal year). The proposed state budget also continues to grow the reserves in the Rainy Day Fund and assumes an additional transfer of nearly \$2 billion in 2020-21 and an additional \$1.4 billion over the remainder of the three-year forecast period. The Rainy Day Fund balance is projected to be \$18 billion in 2020-21 and \$19.4 billion by 2023-24.

The Governor’s proposed budget outlines the following key priorities for the Administration as they relate to WETA over the next year:

- **Climate Budget:** The proposed state budget reflects substantial investment in addressing climate risks, including an investment of \$12.5 billion over the next five years. The climate budget is intended to take a focused approach toward government investment in meeting the state’s priority climate goals of reducing climate risk while achieving carbon neutrality. The proposed climate budget also outlines the Administration’s priority to create a Climate Catalyst Fund, administered by the Infrastructure and Economic Development Bank, that will finance investment in low-carbon transportation through low-interest loans. The Budget proposes to capitalize the Fund with \$1 billion General Fund revenues over the next four years. The Fund will have a revolving loan structure that will leverage private capital and support projects into the future.

- **2020 Five-Year Infrastructure Plan:** The state budget proposal includes a \$53 billion Infrastructure Plan which focuses on how the state's investment in infrastructure can be leveraged to create a sustainable and resilient California. The Plan recognizes that infrastructure investments are foundational to addressing climate change, expanding opportunity, and supporting economic growth. The majority of the proposed funding in the Plan, more than 76%, is dedicated to the state's transportation system. The five-year Plan includes \$5 billion in public transit and rail infrastructure and \$1.1 billion for active transportation projects.
- **Emergency Preparedness:** The state budget includes \$9.4 billion (\$9.2 million General Fund) and 50 positions to enhance Cal OES's ability to anticipate, prepare for, respond to, and recover from disasters. These positions will allow California to maximize eligible federal reimbursements for emergency preparedness and planning.

Nossaman is continuing to closely analyze the Governor's proposed state budget along with California Transit Association and we will make recommendations on positions as the budget process moves forward. Next, the proposed state budget will be reviewed and shaped by the Legislature through a series of budget subcommittee hearings over the course of the Spring, and then the Governor will release an updated "May Revise" of the proposed state budget in the early May 2020 timeframe. The Legislature has until June 15 to adopt a state budget for the upcoming fiscal year, which begins on July 1.

2020 WETA Legislative Priorities

Nossaman continues to schedule meetings for WETA with its Assembly and Senate delegation members to update them on WETA, RM3, and potential budget funding requests in 2020. WETA had a number of productive meetings with legislators in December and we're likely to schedule a lobby day in Sacramento during February or March. Nossaman is working with WETA to determine if a legislative budget request is necessary for February of 2020.

Previewing 2020 Legislative Session

On behalf of WETA, Nossaman is meeting with key legislative staff and interest group stakeholders to ensure WETA's program of projects are included in potential legislation authorizing the FASTER ballot funding initiative. WETA created a two-page, 15-year funding need document that Nossaman has been using to educate stakeholders about the funding needs for more frequent service, more terminals, and vessels with reduced emissions.

Funding for WETA's Priority Projects

Caltrans: Sustainable Communities Transportation Planning Grant

Project Title: Transit Planning for Zero Emission Ferry Vessels

Submitted: October 17, 2019

Amount Requested: \$309,855 with a local match of \$40,145 for a total project cost of \$350,000.

Expected Awards: Spring 2020.

CalSTA: Transit and Intercity Rail Capital Program (TIRCP)

Project Title: Going Green: Expansion of WETA Ferry Services – Mission Bay & Treasure Island

Submitted: January 16, 2020

Amount Requested: \$18.2 million

Expected Awards: April 1, 2020

WETA Legislative Report 2019

Report as of 2/5/2020

Bills to Monitor

[AB 1350](#)

([Gonzalez](#) D) Free youth transit passes: eligibility for state funding.

Current Text: Amended: 1/15/2020 [html](#) [pdf](#)

Status: 1/28/2020-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 1/28/2020-S. RLS.

Summary: Would require transit agencies to offer free youth transit passes to persons 18 years of age and under in order to be eligible for state funding under the Mills-Deddeh Transit Development Act, the State Transit Assistance Program, or the Low Carbon Transit Operations Program. The bill would also require a free youth transit pass to count as a full price fare for purposes of calculating the ratio of fare revenues to operating costs.

Organization	Position	Priority	Assigned	Subject	Group
WETA					
Notes 1:					

[AB 2012](#)

([Chu](#) D) Free senior transit passes: eligibility for state funding.

Current Text: Introduced: 1/28/2020 [html](#) [pdf](#)

Status: 1/29/2020-From printer. May be heard in committee February 28.

Location: 1/28/2020-A. PRINT

Summary: Would require transit agencies to offer free senior transit passes to persons over 65 years of age in order to be eligible for state funding under the Mills-Deddeh Transit Development Act, the State Transit Assistance Program, and the Low Carbon Transit Operations Program. The bill would require those free senior transit passes to count as full price fares for purposes of calculating the ratio of fare revenues to operating costs.

Organization	Position	Priority	Assigned	Subject	Group
WETA					
Notes 1:					

[AB 2057](#)

([Chiu](#) D) San Francisco Bay area: public transportation.

Current Text: Introduced: 2/3/2020 [html](#) [pdf](#)

Status: 2/4/2020-From printer. May be heard in committee March 5.

Location: 2/3/2020-A. PRINT

Summary: Current law creates the Metropolitan Transportation Commission as a local area planning agency for the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Current law creates various transit districts located in the San Francisco Bay area, with specified powers and duties relative to providing public transit services. This bill would state the intent of the Legislature to later enact legislation relating to public transportation in the 9-county San Francisco Bay area.

Organization	Position	Priority	Assigned	Subject	Group
WETA					
Notes 1:					

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

(January 9, 2020)

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 James Wunderman called the meeting to order at 1:32 p.m.

2. PLEDGE OF ALLEGIANCE/ROLL CALL

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

3. REPORT OF BOARD CHAIR

Chair Wunderman said it was an honor to serve on the WETA Board and noted that he had done so now for several years already as Vice Chair. He thanked WETA's exiting Board Chair, Vice Admiral Jody A. Breckenridge, who had been at the helm of the WETA Board for the last six years, steering the agency's growth and service expansion. He said she had done a phenomenal job in that role, and he called for a round of applause to thank her for her service. Chair Wunderman said he hoped that a more formal appreciation would follow to honor her and thank her for her service. Chair Wunderman also thanked California Governor Gavin Newsom for appointing him as WETA's Board Chair and added that he was looking forward to continuing his work with Directors on WETA's huge opportunities expected in 2020 and beyond. He emphasized that the work of the WETA Board was a group effort and said he looked forward to continuing that teamwork with his fellow Directors whom he considers friends. Chair Wunderman said that WETA had come a long way during Chair Breckenridge's tenure and he thanked Executive Director Nina Rannells and her professional staff for their contributions to those efforts. He said staff had been doing an amazing job, especially in light of all of the obstacles that stand in the way of getting projects off the ground and service up and running.

Chair Wunderman noted that his allegiance as the new Board Chair would always be to the interest of the public. He said he wants to hear more public input and feedback on WETA service and water transportation generally, and he noted that much of the ferry service expansion on the San Francisco Bay was due to the tireless efforts of Ron Cowan who had been a pioneer and fierce proponent of a robust water transportation system for the Bay Area. Chair Wunderman emphasized that WETA work must always be open and transparent and that he will be working to avoid closed door sessions of the Board whenever possible. He said he will be welcoming open and transparent debate as Chair of the WETA Board and would be working to honor the spirit of Mr. Cowan.

4. REPORTS OF DIRECTORS

Directors Intintoli and DelBono offered congratulations to Chair Wunderman on his WETA Board Chair appointment and said they were looking forward to continuing their work with him.

5. REPORTS OF STAFF

Ms. Rannells also congratulated Chair Wunderman and said she and her staff were looking forward to working with him. She provided her written report to Directors and welcomed questions. Ms. Rannells

said that during the morning commute service before the meeting, WETA vessel captains had publicly announced that the total number of passengers carried by WETA in 2019 had surpassed 3 million for the first time in the agency's history and, to celebrate this WETA milestone, all passengers were offered free coffee and donuts on their morning rides into San Francisco. She noted that the next day – January 10 – was the one-year anniversary of WETA's new Richmond service which had helped WETA reach this ridership milestone. Ms. Rannells noted that this event was a result of WETA's consistent year over year increase in total system ridership. She said staff was very excited about recommending the continuation of the Richmond weekend service in 2020 at the meeting today, and she noted that the Richmond community response had been overwhelmingly positive to the 2019 weekend pilot service.

In response to a question from the Chair, Ms. Rannells introduced Operations & Maintenance Manager Keith Stahnke who reported that on December 26 a pin connecting the gangway to the shore had failed at the float currently providing the Pier 48½ temporary service to the Chase Center. He explained that when the pin failed, the gangway was not safe for passenger use and as a result, vessels temporarily were unable to utilize the float for landings. Mr. Stahnke said the situation was stabilized later that same evening, and the problem was resolved, with the pin replacement and gangway and float back in service and fully operational, within three days of the event.

Ms. Rannells reported that much of staff's recent focus had been on operating funds and vessels, and she thanked Directors for their December meeting support to construct a new option vessel. She added that the Transit and Intercity Rail Capital Program grant application to the State of California currently in the works, to support adding small electric ferries to WETA's fleet, offered some very important and exciting opportunities. She said vessel construction required a lot of lead time and the grant would be a critical piece of WETA's future expansion puzzle, especially in light of the delay in Regional Measure 3 (RM3) funding.

Responding to a question from the Chair about the status of RM3 and when it was expected to be heard in appeals court, Madeline Chun, WETA Legal Counsel from Hanson Bridgett, LLP said briefing continued and that the outcome was still some time away.

In discussing the financial reports, Director Intintoli said he was concerned about the declining farebox recovery on the South San Francisco route. He noted that it had been hovering near 40 percent for some time, but he had noticed it was declining recently, and considerably, to as low as 31 percent. Director Intintoli said he would like to see staff doing everything possible to promote the service, especially given the Metropolitan Transportation Commission's requirement that the 40 percent threshold be met to qualify the service for operations funding. Ms. Rannells said promotion continued for the service, that the ridership numbers were typical for the winter season, and that it was normal for the numbers to fluctuate throughout the year. Chair Wunderman suggested that Directors hold a Board meeting in South San Francisco, or hold a special meeting there, and invite local employers and organizations along with city leaders, to share information about the service and help assure everyone who could be utilizing the service is aware of it. He also suggested strategizing with city leadership on how to best promote the service.

6. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- a. Board Meeting Minutes – December 12, 2019

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

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

7. APPROVE CONTINUATION OF RICHMOND SUMMER WEEKEND SERVICE IN 2020

Planning & Development Manager Kevin Connolly presented a staff recommendation to approve continuation of Richmond summer weekend service in 2020. He explained that final funding to continue the weekend service was dependent on WETA's partner, the Contra Costa Transportation Authority (CCTA). Mr. Connolly said staff had been working with the west county body of the CCTA known as the West Contra Costa Transportation Advisory Committee (WCCTAC) which has a meeting scheduled on January 24 to which WETA would like to take an approval from the Board to support the weekend service. He said subsequent to that, the matter would be taken up at a CCTA meeting in February to consider an operating subsidy investment to fund the balance of the \$552,000 cost of the service that will not be met with the anticipated farebox revenue.

Mr. Connolly said passengers surveyed on the Richmond weekend pilot service in the summer of 2019 reported faster transit speed and traffic congestion as two reasons for using the weekend service equally or more important to them than comfort and relaxation. He said this reflected the state of today's Bay Area highways, even on the weekends.

Mr. Connolly acknowledged meeting attendees from the City of Richmond including Community & Economic Development Director Shasa Curl and Management Analyst Gabino Arredondo, WETA partners on the summer weekend service project.

PUBLIC COMMENT

An anonymous speaker asked how many laps the Richmond boat does daily.

Mr. Connolly answered that there were three weekend morning trips and 3 evening trips, noting that the 11:00 a.m. trip carried the most passengers. He clarified that the vessels weren't strictly going between Richmond and San Francisco because they also provided midday service to Oakland to maximize crews' 8-hour shifts.

Chair Wunderman noted that many people in the Bay Area now work on the weekends as part of their normal schedules. He said it was his hope to make the Richmond service a 7-day week service all year round as soon as that is feasible.

PUBLIC COMMENTS

An anonymous speaker asked when the Richmond weekend service would resume, and Mr. Connolly said it would begin again on the last weekend of April 2020 and run through October.

Richmond Mayor Tom Butt said the Richmond ferry service had been a great success and had already exceeded carrying 100,000 passengers by 07/25/19. He noted that Richmond has BART which supports later transportation out of San Francisco back to Richmond for those passengers who take the ferry in and want to stay in the city later than the last ferry trip back home. Mayor Butt said that the City of Richmond supports continuation of the weekend ferry service and believes its partners will also support it.

Director DelBono made a motion to approve the item.

Director Intintoli seconded the motion and the item passed.

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

8. APPROVE CONTINUATION OF ENHANCED HARBOR BAY AND SOUTH SAN FRANCISCO SERVICES

Mr. Connolly presented this item to approve continuation of enhanced Harbor Bay and South San Francisco services that were the subject of a one-year pilot program. He reviewed the service details, which include one reverse-direction round trip between South San Francisco and Harbor Bay on weekdays and a new 9:00 a.m. Harbor Bay trip to San Francisco weekday trip.

PUBLIC COMMENT

Christina Fernandez, Assistant to the Manager of the City of South San Francisco, spoke to Directors in support of the item's approval. She said employers in the region are growing rapidly, and she noted that 5,000 new residential units were currently under construction within a half mile of the South San Francisco Caltrain Station. Ms. Hernandez said South San Francisco employers considered ferry service a critical transportation component for the region.

Director Intintoli made a motion to approve the item.

Director DelBono seconded the motion and the item passed.

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

9. UPDATE ON TIDELINE MARINE GROUP'S PRIVATE CHARTER SERVICE FROM SOUTH SAN FRANCISCO TO HARBOR BAY

Operations & Maintenance Manager Keith Stahnke presented this update on Tideline Marine Group's private charter service from South San Francisco to Harbor Bay. He said that last August, the Board approved a six-month extension to the Tideline Marine Group (Tideline) Harbor Bay agreement to land their private charter small vessel at WETA's Harbor Bay terminal for their client Exelixis through February 2020. Mr. Stahnke said that while staff was preparing this update item, WETA received a letter from Tideline requesting to expand this service and that Tideline subsequently withdrew the expansion request. Mr. Stahnke then introduced a representative from Tideline to provide an update on their labor negotiations progress.

PUBLIC COMMENTS

Tideline Chief Executive Officer and Founder Taylor Lewis said that Tideline was continuing its work with the Inlandboatmen's Union (IBU) and Masters, Mates & Pilots (MM&P) and said he expected to have a signed agreement with the IBU to share with Directors before the next WETA Board meeting. He said this expected Collective Bargaining Agreement would be in place for Tideline crews for the duration of the landings at WETA's terminal and beyond.

IBU Regional Director Robert Estrada said he and his colleagues had been working extensively with Tideline, and he expected the agreement would be finalized, ratified by employees, and signed within the next few weeks.

Director Intintoli shared concerns about the declining farebox recovery rate for WETA's South San Francisco service, noting that the Metropolitan Transportation Commission (MTC) required a minimum 40% farebox recovery for the service to qualify for funding. He asked how Tideline's private service offerings would not contribute to the deterioration of WETA's service on this route and asked that this topic be added to a future agenda so Directors can discuss the concern in more depth if there is a proposed expansion of Tideline's services.

Director DelBono said he was very pleased to see labor representatives working with Tideline.

Chair Wunderman said he was also pleased to see labor working with Tideline in these efforts, and that expanding water transportation should never be at the expense of workers, especially in a region as expensive to live in as the Bay Area. Chair Wunderman further noted, in response to Director Intintoli's earlier point, that the growing elephant in the room was the increasing conversation about private and public providers of water transit service. He said if ferry service was not expanded thoughtfully, public ferry service could suffer and, in fact, he considered this to be the most important matter facing WETA and water transit generally at the moment. Chair Wunderman asked staff to agendize this topic for a future Board meeting or special workshop in order to begin these important discussions in an open and transparent manner. He said he was convinced that working together in an informed, thoughtful, strategic manner to find answers other than simply coexistence could result in something greater than the sum of all parts including a robust, world class water transit system for the Bay Area.

Chair Wunderman thanked Tideline for one of their captain's recent heroic efforts to save a man spotted floating in the bay near Berkeley. Ms. Rannells echoed that sentiment and said ferry captains and crews and even passengers, are often unsung heroes in that they regularly help those out on the bay to safety and assist the public in unexpected ways such as this. Chair Wunderman said that regular updates for Directors on such heroic efforts would be welcome.

It was agreed that Tideline representatives would return to present the final outcome of the IBU negotiations to the Board at the February meeting. Ms. Rannells confirmed that staff would also return with an extension of the Tideline Landing Agreement for the Board's consideration.

10. MISSION BAY FERRY LANDING PROJECT UPDATE

Mr. Connolly introduced this Mission Bay Ferry Landing Project update and Jamie Hurley, Real Estate Development Project Manager at the Port of San Francisco (Port) who introduced Port Executive Director Elaine Forbes.

PUBLIC COMMENT

Ms. Forbes said the Mission Bay Ferry Landing Project had been very important to Mayor Edwin Lee who had appointed her to the Port. She emphasized the significance of the project to the Mission Bay development area as well as the entire Bay Area in getting folks out of their cars and onto the water. She said the new Mission Bay Ferry Landing would be named in Mayor Lee's honor. Ms. Forbes added that current San Francisco Mayor London Breed was also incredibly supportive of the project. She noted that the ridership and farebox recovery for the new Mission Bay Ferry service were expected to be good as evidenced by the clamoring of the public and employers for the service. She said this was especially true of University of California at San Francisco (UCSF) nurses from whom she receives monthly emails asking when the service will officially begin. Ms. Forbes said she had been hard at work with her team and Ms. Rannells to figure out a way to advance the required infrastructure for WETA. She noted that the plan for the project had always been to prioritize construction of the infrastructure because of its importance, and then hand the infrastructure over to WETA to operate.

Ms. Forbes said that the Port had looked for funding everywhere to be able to advance construction. She explained that of the \$47 million required for the work, \$25 million was still required to advance the construction which was expected to come from RM3 funds. She said even with the \$25 million, challenges remained in this current high cost climate, and in response to a question from Chair Wunderman about escalating construction cost concerns, Ms. Forbes said her team had done extensive cost estimating and had identified the biggest cost concerns to be in sediment remediation, dredging and cap. She said that she and her team were hopeful right now that construction could be delivered for the \$47 million price tag. She said that about half of the total cost was for the float and the other half was for everything else around the float.

Ms. Forbes introduced Mr. Hurley who provided a further update on the project and the Port's request for WETA approval to provide \$25 million in its RM3 ferry funds to support this project and advance a Letter of No Prejudice request to MTC.

Mr. Hurley explained that there were many people working on this important project, including those from the Port's finance group led by Chief Financial Officer Katie Petrucione, the Maritime group led by Deputy Director Andre Coleman, the engineering group led by Chief Harbor Engineer Rod Iwashita, the planning and environment group led by Planning and Environment Deputy Director Diane Oshima, and his own team in the real estate development group led by Deputy Director Michael J. Martin. Mr. Hurley said he had worked on the Port team for about 15 years and had worked on WETA's Downtown San Francisco Ferry Terminal Expansion Project as early as a decade ago, and he was excited to be working on the Mission Bay project with WETA now. He added that WETA and Port staff worked very well and successfully together.

Mr. Hurley noted that in addition to the UCSF facilities and the new Chase Center at Mission Bay, the area's growth was accelerating. He said a new Mission Rock project was just breaking ground which was expected to add about 2,500 new residents and 7,500 new employees to the area. Mr. Hurley reviewed the myriad permits that had already been secured to support the Mission Bay ferry project noting that the San Francisco Bay Conservation & Development Commission permit had been secured in December, and the final permit for the project from the United States Army Core of Engineers was expected this month.

Mr. Hurley explained that construction was expected to begin in the next in-water work window – June of 2020 – and run through the in-water work window of November 2021. He said construction was expected to be complete by January 2022. Mr. Hurley further noted that the \$25 million funding gap needed to be closed to support the commencement of construction. He said that MTC had a policy in place to support a sponsoring agency - WETA, in this case - and an implementing agency – the Port – to request a Letter of No Prejudice (LONP) to allow projects to move forward now, prior to RM3 fund availability, with local funds, and receive RM3 reimbursement if and when those funds are available. Mr. Hurley explained that under a LONP, the Port would advance the funds with the commitment from MTC to repay those funds once RM3 funding becomes available. He said that there are a series of actions necessary to put the LONP in place that would start with WETA and Port actions in February to approve an LONP request and related agreements. Ms. Rannells confirmed that, with Board support, staff would bring forward the actions necessary to secure an LONP for the project at the next WETA Board meeting.

In response to a question from the Chair, Ms. Forbes said that the Port was presently going through their budget process and if all goes as planned, will be appropriating the \$25 million needed into this budget to support the project which would prevent the need to do so in a future, supplemental budget process with the City of San Francisco.

11. TREASURE ISLAND FERRY SERVICE PROJECT UPDATE

Mr. Connolly introduced this item and Eric Cordoba, Deputy Director of Capital Projects for the San Francisco County Transportation Authority (SFCTA), who provided a status update for Directors on the Treasure Island Ferry Service Project.

In providing some history on the project, Mr. Cordoba said the development agreement took about five years of work and negotiations – from 2006 to 2011 – and that over the last few years there have been a few small efforts to establish toll policies for the island. Mr. Cordoba said the objective was to incentivize use of public transit, walking, and biking, and to discourage the use of private vehicles to and from, and on, the island through toll congestion policies which had been approved as part of the development agreement. He said a primary objective was to get traffic off the Bay Bridge. Mr. Cordoba

said another important goal was assuring the transit options would be affordable, especially for low income families already living on Treasure Island.

Mr. Cordoba said the island will have an on-island shuttle, new ferry service, and new AC Transit bus service to and from Oakland. He explained that the SFCTA would be working with the Boards of the Treasure Island Development Authority (TIDA) and the Treasure Island Mobility Management Agency (TIMMA) to cement all of these plans and assure feasibility for all project partners and affordability for the community.

Mr. Cordoba said target dates included this summer for toll rates and operations approvals for affordability discounts and exemptions. He said community feedback from residents, businesses and other stakeholders was being gathered right now to support these efforts and help assure these final decisions will work for all. He said it was important to note that the tolls, paid parking, etc. to be collected on the island were expected to be the program's primary funding mechanism. Mr. Cordoba said another objective will be to require residents on the island to purchase transit passes to access the island as part of their Homeowner's Association dues and to offer these passes at a 50% discount for low income residents.

Mr. Cordoba said that a particularly exciting plan for the island was having an all-electric ferry service. He thanked Ms. Rannells for WETA's partnership in pursuing funds to support that with a Transit Intercity Rail Capital Program (TIRCP) grant application to the California State Transportation Agency.

Mr. Cordoba said the ferry terminal was already under construction, funded by the developer, at a cost of \$70 million for the terminal and the surrounding improvements and infrastructure including a plaza, landscaping and rain garden, a breakwater, shuttle and bus stops, and passenger shelter. He said completion was expected in 2021. Mr. Cordoba said it was anticipated that the island's new tolling system would begin in 2022 to begin providing the primary funding for the new mobility program and transit services, and that the new clean, small vessel service would launch in mid-2023. He said ferry funding would come from toll revenues, developer subsidy, and capital grants. Mr. Cordoba noted that the developer subsidy would be in the amount of \$30 million and it was meant to subsidize all transit for the island to the extent that it is feasible. Mr. Cordoba emphasized that ferry service was desired for peak period times initially, with smaller vessels.

Mr. Cordoba said that next steps were to work with WETA staff to identify and pursue funding opportunities, coordinate service planning, clarify and establish roles and responsibilities with a Memorandum of Understanding that will work for all, finalize plans, and continue moving forward in partnership on this exciting project.

Chair Wunderman thanked Mr. Cordoba for his update. He said it takes time to make important things happen and this project has been a long time coming. Chair Wunderman said it was a very important and exciting project, and he was very pleased to see cranes on the island and the project coming to fruition. He said this project provides a phenomenal opportunity to see how all electric vessels would work in reality, and he thanked Mr. Cordoba and Ms. Rannells and her team for their work on and pursuit of the TIRCP funding.

Ms. Rannells acknowledged WETA Program Manager/Analyst Lauren Gularte for her lead on the substantial work involved to prepare WETA's TIRCP grant application. She said her hope was that this grant money could provide a way for WETA to lean forward and support the Treasure Island service despite the delay of RM3 funding, as Directors had expressed they wished to do several months ago. Chair Wunderman said he would like to hear from staff about how best the Board can participate in

assuring the grant application is seen and seriously considered in Sacramento. Ms. Rannells said that letters of support would be appreciated and could prove helpful.

Chair Wunderman asked how confident Mr. Cordoba was that the Mayor and San Francisco Board of Supervisors would support the required tolling to support the public Treasure Island ferry service. Mr. Cordoba explained that a primary objective of the Mayor and Supervisors was to assure that the existing island population will not be harmed by the planned development. He said that he and his team had been tasked to devise a plan to support island accessibility for people of all income levels, something they were working on currently.

PUBLIC COMMENTS

James Jaber of Prop said he has a thriving maritime business on the bay, that he wanted to support Chair Wunderman in this meeting, and that Mr. Wunderman's appointment as Chair of WETA and hearing the Treasure Island project status update had provided a really great start to the new year. Mr. Jaber said he was also excited about hearing the updates on the Mission Bay ferry project. He said Prop had inked a deal with MM&P Regional Representative Captain Sly Hunter, and he hoped this would help Prop meet their strategic plans for the future. Mr. Jaber said he wants Prop to be eligible for some of these smaller projects that will need smaller boats. He said Prop has four small boats that operate for about 80 hours daily to Benicia, Richmond, Tiburon, Berkeley and South San Francisco. Mr. Jaber said he was looking forward to discussing small boats at a future WETA Board meeting. He added that he would prepare an in-depth analysis of where Prop is and where they intend to go for that discussion. Mr. Jaber said he looked forward to sharing that and to integrating with WETA to the best of Prop's ability.

Captain Hunter from MM&P said that the agreement that had been signed with Prop was a full labor agreement and was identical to the agreement WETA has with the Blue & Gold Fleet. He said he stands behind Prop 100 percent and supports their inclusion in water transit on the Bay.

Chair Wunderman thanked Mr. Jaber and said WETA was here to be a partner and that he was very pleased this agreement was in place and he looked forward to putting it to work very soon.

12. UPDATE ON REGIONAL MEANS-BASED FARE DISCOUNT PILOT PROGRAM AND FARE COORDINATION AND INTEGRATION STUDY

Mr. Connolly introduced this item and said that because WETA's current five-year fare program would expire in June of this year, that Directors could expect staff to bring forward a draft proposal for the next WETA five-year fare program to the next Board meeting. Mr. Connolly noted that in that consideration, it will be important for Directors to understand what fare coordination work was going on in the region. He introduced MTC Senior Program Coordinator Melanie Choy who provided an update for Directors on Clipper START, which will be the official name of MTC's regional means-based fare program when it launches.

Ms. Choy said that over the last 20 years in MTC's programming, transit affordability has remained one of its top priorities and concerns. She said that in 2014, MTC set aside some funding to study the administrative feasibility of a means-based fare program for the Bay Area. She said the two-year effort concluded in 2017 and based on the study results, MTC engaged operators in the region to expand discussions, identify interest and explore feasibility of implementing such a program for transit operators. Ms. Choy said questions explored in these discussions included how much should the discount be, what amount of financial risk can transit operators take, do all transit operators want to participate, how much money did MTC have regionally to dedicate to this program to help mitigate operators' revenue losses, and logistics for rolling such a program out in the Clipper system which is currently in process of being updated to a new system, Clipper 2.0. Ms. Choy said that a decision about the pilot program was

finalized in May of 2018 and four participating agencies were on board to take part: BART and Caltrain with a 20% fare discount, and Golden Gate and SFMTA with a 50% fare discount. Ms. Choy noted that it was agreed the minimum discount would be 20%, with the option for operators to increase that if they were able to subsidize a deeper discount on their own. She said MTC has set aside \$11 million in state funds annually to subsidize a share of the discounted fares and that the operators would also be contributing to the subsidy. Ms. Choy said the program would be open to adults earning less than 200% of the Federal Poverty Income Level and would be available only on Clipper, so riders will need to use their Clipper cards to receive the discount. She explained that the 18 month pilot program will roll out on these four large operators' systems in spring of 2020, along with heavy promotion of the program to build interest and participation with the public, and the pilot will be evaluated starting around the middle of the program.

Ms. Choy said riders can apply online or with paper applications and that MTC would be partnering with community-based organizations through the Bay Area who will be able to assist those members of the public who cannot apply online or require assistance with their paper applications. She said once income is verified, applications will be approved or denied. If approved, riders will be mailed their own personalized Clipper Start branded cards. She said the cards will not have photos on them and the discount will be built into the card for the participating operators. Ms. Choy said these cards will work as usual on non-participating transit operators, and charge those usual fares, and cash will be added as usual for transit by the pre-qualified riders.

Ms. Choy introduced her colleague, MTC Policy and Financial Analyst Bill Bacon, who provided the Board with an overview of the fare coordination and integration study. Mr. Bacon said that currently, there were a dozen transit operators in the Bay Area that each set their own fare policies independently. He explained that the MTC fare coordination and integration study will consider the structure of how fares are determined, how fare policy is set - especially with regard to how much is charged for individual trips and how those prices are determined, payment options available to customers, and what kinds of discounts are currently offered.

Mr. Bacon said that currently, bus operators in the Bay Area offer 16 different youth discounts and 14 different senior discounts. He said the confusion for Bay Area public transit users regarding fares understandably abounds and fares today require 20,000 business rules in the Clipper system to support. For example, he noted, to make one change to a fare, the change must be tested against 20,000 policies in a 20-year old system. Mr. Bacon said the good news was that the next generation Clipper system was expected to roll out to the public next year which should help with the current old system challenges.

A new Fare Integration Task Force made up of transit agency leadership and MTC is the project owner for this study, Mr. Bacon explained, and last year MTC set aside \$600,000 of Regional Measure 2 funds for the study work. He said data confirmed that more than 500,000 public transit users tag their Clipper cards on more than one system regularly every month. Mr. Bacon emphasized that there was a growing sense of urgency for leaders to do something to improve the customer experience on public transit in the region. He said a primary objective of the Task Force is to improve the customer experience to grow ridership and noted that BART was a very important partner at the center of this work since it carries more passengers than any other operator in the region and collects about two thirds of all fares generated in the region.

Mr. Bacon said the Request for Proposals for the study work closed yesterday, and it was expected that the contract would be awarded in March. He said the next generation Clipper system will roll out in 2022 with a mobile application likely available next year that will allow riders to pay with their phones instead of cards.

Ms. Rannells said that she was a member of the Fare Integration Task Force because she was on the Clipper Executive Board. She said Clipper 2.0 will provide the great opportunity to create something a lot more manageable. She said she was looking forward to this work beginning because it was so important.

Chair Wunderman said it was crucial to make transit affordable for everyone otherwise they are going to drive their cars. He said the region has not historically managed fares well and while this work was unlikely to solve everything that is needed, it was a really good start to at least begin the process.

Director DelBono noted that it was especially important for WETA to assure the public can access its services, especially in an area like Richmond where it began service last year.

Ms. Rannells acknowledged the Board's prior stated interest in participating in the Means-Based Fare program and assured them that staff has communicated the interest to MTC once the pilot program has been completed.

Chair Wunderman thanked Ms. Choy and Mr. Bacon for their presentations.

13. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No further public comments were shared.

With all business concluded Chair Wunderman adjourned the meeting at 3:41 p.m.

- Board Secretary

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Operations & Maintenance Manager
Rachel Rodriguez, Operations Administrator

SUBJECT: Approve Tideline Marine Group's Request for a One-Year Extension to its Existing Harbor Bay Landing Agreement

Recommendation

Approve a one-year extension of Tideline Marine Group's landing agreement for its existing private charter service between South San Francisco and Harbor Bay.

Background

WETA staff was approached by Tideline Marine Group (Tideline) in 2018 with a request for permission to provide private charter small vessel landings at WETA's Harbor Bay Ferry Terminal in order to shuttle employees of a private firm (Exelixis) in the reverse-commute direction from South San Francisco to their new work place at Harbor Bay. The request was for an initial six-month demonstration period with the potential to make this a long-term arrangement. At the September 6, 2018 meeting the WETA Board of Directors approved Tideline's request to conduct these scheduled reverse-commute private charter landings with the vessel *Osprey* at the Harbor Bay Ferry Terminal on a six-month demonstration basis subject to meeting WETA's conditions and requirements. The demonstration period began on February 25, 2019 and was scheduled to expire on August 25, 2019.

At the August 1, 2019 WETA Board of Directors meeting, the Board considered a request from Tideline to extend its license term for one year in order to continue the private charter service for Exelixis employees. Directors discussed concerns about labor harmony on the Tideline service and asked if Tideline or the private employer had considered approaching other Harbor Bay employers to see if they had South Bay employees who might be interested in riding the service in an effort to boost ridership and provide sufficient funds to meet living wage and benefit objectives. Directors emphasized that it is important that ferry workers serving Bay Area businesses are paid a fair living wage. At the conclusion of the discussion, the Board approved a six-month extension to the landing agreement – through February 2020 - and requested that Tideline provide them with an update on their labor discussions at the January 2020 WETA Board meeting, noting that this would be an important factor in any future landing agreement extensions.

Discussion

At the January 9, 2020 WETA Board of Directors meeting, Tideline Chief Executive Officer and Founder Taylor Lewis said that Tideline was continuing its work with the Inlandboatmen's Union (IBU) and the Masters, Mates & Pilots (MM&P) and said he expected to have a signed agreement with the IBU by February. He said this expected Collective Bargaining Agreement would be in place for Tideline crews for the duration of the landings at WETA's terminal and beyond.

IBU Regional Director Robert Estrada said that he and his colleagues had been working extensively with Tideline and that he expected the agreement would be finalized, ratified by employees and signed within the next few weeks.

Based upon the progress reported to the Board at the January 9 meeting, staff recommends that the Board approve Tideline's request for a one-year extension of its current private charter landing agreement. Fees charged are currently \$28 per landing. The agreement amendment will include a 3% increase to the landing fee amount at the beginning of the new fiscal year on July 1, 2020.

Fiscal Impact

This agreement will generate approximately \$2,200 per month in landing fees which help to offset the cost of administering the Tideline contract and maintaining the Harbor Bay Ferry Terminal.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-03

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

WHEREAS, WETA has adopted a Private Landing Policy that seeks to promote water transportation on the San Francisco Bay in general, and in particular recognizes the value in allowing the use of WETA facilities by private charter operations under certain conditions, when WETA vessels are not available to provide service;

WHEREAS, any private operator seeking to land a vessel at a WETA facility must apply for and receive a permit from WETA for any such use;

WHEREAS, Tideline Marine Group (Tideline) has applied for and received a permit from WETA to provide scheduled weekday landings at WETA's Harbor Bay Ferry Terminal with the vessel *Osprey* as a part of an employer-based private charter reverse-commute service between South San Francisco and Harbor Bay for a six-month demonstration period ending August 25, 2019; and

WHEREAS, Tideline submitted a request to extend service for one additional year past the demonstration period in order to continue its employer-based private charter service between South San Francisco and Harbor Bay; and

WHEREAS, WETA has determined that limited landings can be accommodated at the Harbor Bay terminal for the specific purposes requested in Tideline's application; and

WHEREAS, the Board of Directors extended the license for six months - through February 2020 - requesting that Tideline provide an update at the January 2020 meeting as to the status of its negotiations with the applicable labor union; and

WHEREAS, Tideline provided an update at the January 2020 meeting as to the status of its negotiations with the applicable labor union and has submitted a request for a one-year extension to continue to conduct its current service between South San Francisco and Harbor Bay; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves Tideline's request to extend its scheduled small vessel private charter landings with the vessel *Osprey* at the Harbor Bay Ferry Terminal for one year and authorize the Executive Director to grant a permit to Tideline subject to completion of final requirements and negotiations with Tideline and subject to any additional requirements of and approvals by the City of Alameda and Harbor Bay Isles Associates.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on February 13, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-03

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Lynne Yu, Finance & Administration Manager
Chad Mason, Senior Planner/Project Manager

SUBJECT: Approve Entering into a Supplemental Memorandum of Understanding with the Port of San Francisco for the Mission Bay Ferry Landing Project

Recommendation

Approve entering into a Supplemental Memorandum of Understanding (MOU) with the Port of San Francisco for the Mission Bay Ferry Landing (MBFL) and authorize the Executive Director to execute the agreement and take any other related actions as may be necessary to support this agreement.

Background

A ferry terminal located in the Mission Bay neighborhood of San Francisco has been included in redevelopment plans for the area dating back to 2004. WETA has worked closely with the Port of San Francisco (Port) in recent years to support study and development of the MBFL project. The MBFL is included in WETA's 2016 Strategic Plan and Metropolitan Transportation Commission's (MTC) Plan Bay Area and was identified as a prominent near-term expansion terminal in WETA's advocacy efforts related to the development of the Regional Measure 3 (RM3) toll measure initiative.

In January 2017, WETA and the Port entered into a MBFL MOU that established a framework for development of a future MBFL to support expansion of WETA's regional ferry services. This agreement identified how WETA and the Port would coordinate on the planning, design and entitlement work as well as efforts to secure the funds necessary to construct the project. As detailed in the MOU, the Port was identified as the project lead for project development and construction and WETA committed to provide staff participation and assistance with this effort.

At the January 2020 Board meeting, WETA and Port staff provided the Board with a status report of the terminal development efforts and funding plan. The funding plan identified multiple sources required to fully fund the terminal construction, including a \$25 million commitment from RM3 Ferry Enhancement Program funds available to WETA as previously requested by the Port. Staff explained that while RM3 funds are not yet available for allocation due to the legal challenge to the measure, MTC - as the administrator of RM3 funds - has developed a process for issuing a Letter of No Prejudice (LONP) to project sponsors who wish to advance project construction with local funds now and remain eligible for reimbursement with RM3 funds if and when they become available in the future.

Discussion

At the January 9, 2020 meeting, the Board provided direction to staff to develop a path forward for committing \$25 million in WETA RM3 funds to the MBFL project and securing a LONP from MTC in

order to support the Port's ability to move the project forward to construction in 2019, prior to RM3 availability. Since the January 2020 meeting, WETA staff has worked closely with MTC and the Port to identify the actions necessary to commit RM3 funds to the project. The first step required is to establish a Supplemental MOU between WETA and the Port (**Attachment A**) that outlines the roles and responsibilities related to the funding (as it pertains to RM3), construction, ownership and operation of the new MBFL.

For RM3 funds, WETA will serve as the conduit for seeking reimbursement from MTC for eligible project expenses incurred by the Port, up to a maximum of \$25 million. The Port will proceed with construction of the project under the LONP at its own risk. If RM3 funds do not become available for allocation, there is no expectation that MTC or WETA will provide alternate funds. If RM3 funds do become available, WETA would officially request the \$25 million funding allocation for the project and the Port could request reimbursement as outlined in the RM3 Policies and Procedures. The following summarizes each agency's roles and responsibilities under the terms of the proposed Supplemental MOU.

Construction and Operation:

- WETA will play an active role in the Port's approvals of all design elements and the Port will consult with WETA before accepting any design or construction work. WETA will have final approval authority over both design and final acceptance of Waterside Operational Elements of the facility.
- Upon completion of the project, the Waterside Operational Elements will become WETA's property. WETA will maintain all Waterside Operational Elements.
- The Port will own and maintain the fixed pier along with landside elements such as the plaza immediately adjacent to the fixed pier that will be used for passenger queueing.
- WETA will be the sole and exclusive operator of the MBFL facility for water transportation.
- WETA may allow other operators to land at the facility provided they have a valid landing agreement with WETA.
- The Port and WETA will execute a lease for a 66-year duration, commencing upon completion of construction, at the cost of \$1 per year.
- The lease will include provisions consistent with WETA's statutory authority to plan, manage, operate and coordinate regional emergency activities of water transportation and related facilities.
- The Port will assist in maintenance dredging activities by providing permit and regulatory support. WETA will be financially responsible for dredging needs related to ferry operations.

RM3 Funding:

- WETA will serve as the conduit for seeking reimbursement from MTC for eligible project expenses incurred by the Port, up to a maximum of \$25 million.
- The Port, as the project implementing agency, would proceed with a LONP at its own risk; if RM3 funds do not become available for allocation, there is no expectation that MTC will provide alternate funds.
- WETA will serve as the pass-through agent for the Port on the RM3 funds for the project.
- The Port agrees that it will indemnify and hold harmless WETA, MTC and other parties from all claims, injury, suits, demands, liability, losses, damages and expenses.
- Any cost overruns for the project will be the responsibility of the Port. The Port will not seek additional funding from RM3 beyond the \$25 Million.

- WETA will have no obligation under this Supplemental MOU or otherwise to reimburse the Port for any project expenses invoiced to RM3 funds for which the MTC fails to make a reimbursement for any reason.
- Reimbursements will be sought on a quarterly basis in accordance with RM3 Policies and Procedures.

Once the Supplemental MOU is approved and in place, WETA will be in a position to request MTC approval of an LONP for this project.

END

ATTACHMENT A

Supplemental Memorandum of Understanding

Mission Bay Ferry Landing

This supplemental memorandum of understanding (the “**Supplemental MOU**”) is entered into by and between the San Francisco Bay Area Water Emergency Transportation Authority (“**WETA**”) and the City and County of San Francisco, acting by and through the San Francisco Port Commission (“**Port**”). This Supplemental MOU is entered into on the basis of the following facts, understandings, and intentions of the parties:

- A. On June 30, 2017, WETA and the Port entered into a Memorandum of Understanding for the Planning, Design, Entitlement, and Funding of the Mission Bay Ferry Landing Project (**Project**).
- B. On June 5, 2018, voters approved Regional Measure 3 (**RM3**), raising the toll for all vehicles on the seven State-owned toll bridges in the San Francisco Bay Area by a total of \$3.00 phased in through one-dollar increments. The first dollar of the toll increase was implemented on January 1, 2019.
- C. RM3 is currently under litigation and collected RM3 revenue is being held in an escrow account. No allocations of RM3 funds are anticipated until and unless litigation is resolved in a manner that allows for such allocation.
- D. The Metropolitan Transportation Commission (MTC) is the transportation planning, financing, and coordinating agency for the nine-county San Francisco Bay Area.
- E. MTC is responsible for funding projects eligible for Regional Measure 3 funds, pursuant to Streets and Highways Code Section 30914.7(a) and (c).
- F. RM3 identified projects eligible to receive funding under the Regional Measure 3 Expenditure Plan. The Port has assumed a \$25 Million allocation for the Mission Bay Ferry Landing will be made available through WETA ferry capital funds, which total \$300 Million in the RM3 Ferry Enhancement Program. The Port will not be seeking additional allocations from RM3 funding if the project requires additional funding.
- G. RM3 Policies and Procedures are set forth in Attachment A to MTC Resolution No. 4404, adopted on December 18, 2019. Included among the RM3 Policies and Procedures is a “Letter of No Prejudice (**LONP**)” process through which a project sponsor may obtain MTC approval to move forward with a specific scope of work, using non-RM3 funds, and retain RM3 eligibility for that scope. If and when RM3 litigation is resolved and the MTC can make RM3 allocations, the project sponsor will be able to receive an allocation for that scope of work and be reimbursed with RM3 funds.
- H. The Port is delivering the Mission Bay Ferry Landing project (“**Project**”) and is therefore considered by MTC to be the implementing agency for the Project, whereas WETA is considered the sponsoring agency. WETA will be seeking a LONP from the MTC in order to move forward with the Project in advance of the RM3 funding allocation.
- I. The Port, as the project implementing agency, would proceed with an LONP at its own risk; if RM3 funds do not become available for allocation, there is no expectation that MTC will provide alternate funds.
- J. The LONP process is intended only for programmed capital projects that will deliver a usable segment with available funds (e.g., complete construction phase, final design,

environmental document, and purchased right-of-way; construction of the Mission Bay Ferry Landing project meets this criterion.

- K. The Port completed a Mitigated Negative Declaration (State Clearing House No. 2018052002, July 6, 2018) that meets requirements of the California Environmental Quality Act (CEQA) for environmental clearance of the Project.
- L. As the entity delivering the Project, the Port will be responsible for complying with all RM3 program funding requirements and seeking reimbursement of eligible expenses from MTC, through WETA.
- M. The Port and WETA, through this Supplemental MOU, wish to set forth the essential understandings necessary to secure a LONP from the MTC.

Now, therefore, it is agreed as follows:

- 1. By executing this Supplemental MOU, WETA agrees to serve as the pass-through agent for the Port on the RM3 funds for the Project. WETA will serve as the conduit for seeking reimbursement from MTC for eligible project expenses incurred by the Port, up to a maximum of \$25 million.
- 2. Consistent with WETA's assurances to MTC, Port agrees that (a) any revenues or profits from any non-governmental use of the Project will be used exclusively for the public transportation services for which MTC has approved the Project, otherwise MTC is entitled to a proportionate share of any such revenues or profits and (b) Project assets purchased with RM3 funds will be used for the intended public transportation uses, and if such assets cease to be operated and maintained for their intended public transportation purposes during their useful life, that MTC will be entitled to a present day value refund or credit (at MTC's option) based on MTC's share of the fair market value of the assets at the time the public transportation use ceases.
- 3. As part of WETA's agreement to serve as the pass-through agent for the Port on the RM3 funds for the Project, the Port agrees that it will indemnify and hold harmless WETA, MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of the Port, its officers, employees or agents, or subcontractors or any of them in connection with its performance of services related to MTC's allocation of RM3 funds. The Port agrees at its own cost, expense, and risk, to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against WETA, MTC, BATA, and their Commissioners, officers, agents, and employees, or any of them, arising out of such act or omission, and to pay and satisfy any resulting judgments. In addition to any other remedy authorized by law, so much of the funding due under any future allocation of RM3 funds to this scope as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages.
- 4. Any cost overruns for the Project will be the responsibility of the Port. The Port will not seek additional funding from RM3 beyond the \$25 Million described in this Supplemental MOU.

5. WETA will have no obligation under this Supplemental MOU or otherwise to reimburse the Port for any project expenses invoiced to RM3 funds for which the MTC fails to make a reimbursement for any reason.
6. Both parties agree to the following breakdown of their roles and responsibilities, as it pertains to the RM3 Policies and Procedures (MTC Resolution No. 4404):

<u>RM3 Policies & Procedures (December 2019)</u>	<u>WETA</u>	<u>Port</u>	<u>Notes</u>
Initial Project Report			
1. Project Description and Sponsor information	x	x	
2. Project Delivery Information		x	
3. Project Budget Information		x	
4. RM3 Funding Need Information		x	
5. Allocation Budget Plan- Estimated Budget Plan (EBP)		x	
6. Governing Board Action	x	x	
7. Agency Contact and IPR Preparation Information	x	x	
Intent to Request an LONP			
1. Intent to seek LONP	X		60 days prior to MTC Commission action
2. Complete Allocation Request Form	x		
3. Draft Sponsor/ Implementing Agency Resolution	x		
LONP Application Package			
1. Sponsor/ Implementing Agency Resolution of Project Compliance	x	x	30 days prior to MTC Commission action
2. Opinion of Legal Counsel/ MTC Indemnification	x		

<u>RM3 Policies & Procedures (December 2019)</u>	<u>WETA</u>	<u>Port</u>	<u>Notes</u>
3. Board or Official Governing Body Approved Updated Initial Project Report (IPR) and Allocation Request	x	x	
4. Environmental Documentation		x	
5. Evidence of Allocation and Commitment of Complementary Funds		x	
Monitoring and Reporting Requirements			
1. Annual Updates		x	
2. Semi-annual Progress Reports		x	
3. Project Close Out		x	
Invoicing			
1. Invoicing Preparation		x	
2. Invoice submittal	x		

7. Reimbursements will be sought on a quarterly basis in accordance with RM3 Policies and Procedures. Within two weeks after receipt of a complete reimbursement request package, WETA will transmit the request to MTC. WETA will reimburse the Port within two weeks of receipt of funds from MTC.
8. Port agrees to provide WETA with reimbursement requests that are consistent with MTC's RM3 Policies and Procedures. Reimbursement requests must include appropriate support documentation and identification of expenses incurred. The reimbursement package will include:
 - a. A cover page identifying the RM3 allocation as the funding source, the requested reimbursement amount, and the remaining Project allocation balance;
 - b. A breakdown of the types of expenses incurred, the total for each type, and the proportion of expenses billed to RM3 verses other fund sources;
 - c. A detailed summary of the non-labor expenses, summarized by vendor or contractor; and
 - d. Copies of approved invoices and proof of payments; and
 - e. The Port will post on both ends of the construction site(s) at least two signs visible to the public stating that the Project is funded with Regional Measure 3 Toll Revenues;
 - f. Any other information reasonably requested by the Port or WETA.

9. Consistent with the June 30, 2017 MOU, the parties agree to the following principles regarding roles and responsibilities of WETA and the Port for completion of the Project and future operation of the Mission Bay Ferry Landing:
 - a. The Port will let all design and construction contracts and will lead construction activities for the project.
 - b. Throughout the development and construction period, WETA will play an active role in the Port's approvals of all design elements and the Port will consult with WETA before accepting any design or construction work. In particular, WETA will have final approval authority over both design and final acceptance of Waterside Operational Elements of the facility. Waterside Operational Elements are those improvements located eastward of the control gate to be located at the eastern end of the pier and specifically include the float, gangway, piles supporting the float and gangway, Clipper infrastructure, and the control gate leading to the gangway.
 - c. Upon completion of the Project, the Waterside Operational Elements will become WETA's property; the Port will transfer title to WETA upon final acceptance of the Project. WETA will maintain all Waterside Operational Elements.
 - d. The Port will own and maintain the fixed pier along with landside elements such as the plaza immediately adjacent to the fixed pier that will be used for passenger queueing.
 - e. WETA will be the sole and exclusive operator of the MBFL facility for water transportation. WETA may allow other operators to land at the facility provided they have a valid landing agreement with WETA and do not interfere with WETA services. WETA will charge landing fees sufficient to cover maintenance expenses for the facility's operational infrastructure.
 - f. The Port and WETA will execute a lease for a 66-year duration, commencing upon completion of construction, at the cost of \$1 per year. The lease will be consistent with the June 30, 2017 MOU and will generally follow the model of the existing lease dated for the downtown San Francisco terminal.
 - g. Without limiting the Port's authority in the event of a local emergency (for example, the berthing of the San Francisco Fire Department boat or San Francisco Police Department boat for rescues, responses to crime, etc.), the Lease will include provisions consistent with WETA's statutory authority to plan, manage, operate, and coordinate regional emergency activities of water transportation and related facilities.
 - h. The Port will assist in maintenance dredging activities by providing permit and regulatory support. WETA will be financially responsible for dredging needs related to ferry operations.

WETA and the Port of San Francisco have entered into this Supplemental Memorandum of Understanding as of the last date set forth below.

**San Francisco Bay Area Water
Emergency Transportation Authority**

**City and County of San Francisco,
acting by and through the San
Francisco Port Commission**

By: _____

Nina Rannells
Executive Director

By: _____

Elaine Forbes
Executive Director

Date: _____

Date: _____

Reviewed:

Reviewed:

**Dennis J. Herrera
City Attorney**

By: _____

Steve Miller
Hanson Bridgett LLP
Legal Counsel to WETA

By: _____

Michelle Sexton
Deputy City Attorney

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-04

**APPROVE ENTERING INTO A SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING
WITH THE PORT OF SAN FRANCISCO FOR THE MISSION BAY FERRY LANDING PROJECT**

WHEREAS, the Mission Bay Ferry Landing is included in WETA's 2016 Strategic Plan and the Metropolitan Transportation Commission's Plan Bay Area; and

WHEREAS, in January 2017, WETA and the Port of San Francisco (Port) entered into a Mission Bay Ferry Landing Memorandum of Understanding that established a framework for development of a future Mission Bay Ferry Landing to support expansion of WETA's regional ferry services; and

WHEREAS, the Port has developed a funding plan that identifies multiple sources required to fully fund the terminal construction, including a \$25 million commitment from the Regional Measure 3 (RM3) Ferry Enhancement Program; and

WHEREAS, while RM3 funds are not yet available for allocation, MTC has developed a process for issuing a Letter of No Prejudice (LONP) to project sponsors who wish to advance project construction with local funds now and remain eligible for reimbursement with RM3 funds later; and

WHEREAS, at the January 9, 2020 meeting, the WETA Board provided direction to staff to develop a path forward for committing \$25 million in WETA RM3 funds to the Mission Bay Ferry Landing project and securing a LONP from MTC in order to advance the project; and

WHEREAS, the first required step to secure a LONP from MTC is to establish a Supplemental Memorandum of Understanding between WETA and the Port that outlines the roles and responsibilities related to the funding (as it pertains to RM3), construction, ownership and operation of the new Mission Bay Ferry Landing; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves entering into a Supplemental Memorandum of Understanding with the Port of San Francisco for the Mission Bay Ferry Landing and authorizing the Executive Director to execute the agreement and take any other related actions as may be necessary to support this agreement.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on February 13, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-04

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Lynne Yu, Finance & Administration Manager
Kevin Connolly, Planning & Development Manager
Chad Mason, Senior Planner/Project Manager

SUBJECT: Authorize Staff to Request a Letter of No Prejudice for the Mission Bay Ferry Landing Project from the Metropolitan Transportation Commission

Recommendation

Authorize staff to submit a Regional Measure 3 Letter of No Prejudice request to the Metropolitan Transportation Commission for the Mission Bay Ferry Landing project.

Background

On June 5, 2018, voters passed Regional Measure 3 (RM3), raising the toll for all vehicles on the seven State-owned toll bridges in the San Francisco Bay Area by a total of \$3.00, phased in through one-dollar increments. This toll increase is to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 595 (Chapter 650, Statutes of 2017). Specifically, RM3 establishes the RM 3 Expenditure Plan and identifies specific capital and operating projects and programs eligible to receive RM3 funding as identified in Sections 30914.7 (a) & (c) of the California Streets and Highways Code.

The Capital Program of the RM3 Expenditure Plan includes the Ferry Enhancement Program totaling \$300 million. WETA is the designated recipient of funds under this program. The Mission Bay Ferry Landing project (Project), being implemented by the Port of San Francisco (Port), is eligible for consideration under the Ferry Enhancement Program of the RM 3 Expenditure Plan. As a part of a Supplemental Memorandum of Understanding between WETA and the Port, WETA has committed \$25 million of its RM3 Ferry Enhancement Program funds to complete the funding package for the Mission Bay Ferry Landing Project construction.

Discussion

The first \$1.00 toll increase was put into effect in January 2019. Collected RM3 funds are being held in an escrow account while the region awaits the resolution of litigation against the measure. In the meantime, to keep projects moving forward, the Metropolitan Transportation Commission (MTC) has adopted a Letter of No Prejudice (LONP) process where project sponsor can request MTC approval to move forward with a specific scope of work, using non-RM3 funds, and retain RM3 eligibility for that scope. If and when the RM3 litigation is resolved and MTC can make RM3 allocations, the project sponsor would then be able to receive an allocation for that scope of work and be reimbursed with RM3 funds.

Since WETA is the project sponsor identified under the Ferry Enhancement Program, WETA must request the LONP for the Project, rather than the Port. The Supplemental Memorandum of Understanding (MOU) between the Port and WETA outlines the roles and responsibilities related to

the RM3 funding and LONP. Most important to the LONP process, the MOU identifies that the Port will proceed with the Project under the LONP at its own risk. If RM3 funds do not become available for allocation, there is no expectation that MTC or WETA would provide alternate funds. If RM3 funds do become available, WETA would officially request the \$25 million funding allocation for the project and the Port could receive reimbursement as outlined in the Regional Measure 3 Policies and Procedures.

Fiscal Impact

There is no fiscal impact directly associated with this item. Board approval to submit a LONP request for the Project is necessary to meet MTC requirements for LONP approval.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-05

**AUTHORIZE SUBMITTING A LETTER OF NO PREJUDICE REQUEST FOR THE
MISSION BAY FERRY LANDING PROJECT TO THE METROPOLITAN
TRANSPORTATION COMMISSION**

WHEREAS, SB 595 (Chapter 650, Statutes 2017), commonly referred as Regional Measure 3, identified projects eligible to receive funding under the Regional Measure 3 Expenditure Plan; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is responsible for funding projects eligible for Regional Measure 3 funds, pursuant to Streets and Highways Code Section 30914.7(a) and (c); and

WHEREAS, MTC has established a process whereby eligible transportation project sponsors may submit allocation requests for Regional Measure 3 (RM3) funding; and

WHEREAS, Letter of No Prejudice (LONP) requests to MTC must be submitted consistent with procedures and conditions as outlined in Regional Measure 3 Policies and Procedures (MTC Resolution No. 4404); and

WHEREAS, the San Francisco Bay Area Water Emergency Transportation Authority (WETA) is an eligible sponsor of transportation project(s) in the Regional Measure 3 Expenditure Plan; and

WHEREAS, the Mission Bay Ferry Landing project (Project) is eligible for consideration in the Regional Measure 3 Expenditure Plan, under the Ferry Enhancement Program, as identified in California Streets and Highways Code Section 30914.7(a); and

WHEREAS, WETA intends on requesting a future allocation of \$25,000,000 from the RM3 Ferry Enhancement Program to support the Project; and

WHEREAS, the Port of San Francisco (Port) is the implementing agency of the Project; and

WHEREAS, WETA and the Port have entered into a Memorandum of Understanding (MOU) for the Project; and

WHEREAS, pursuant to the MOU, the Port is responsible to fund the scope of work covered under the LONP, including costs for designing and constructing the Project, and has committed to complete the Project regardless of whether RM3 funds are available to support the Project; and

WHEREAS, the Regional Measure 3 LONP request, attached hereto in the Initial Project Report (IPR) and LONP Request Form, and incorporated herein as though set forth at length, lists the project, purpose, schedule, budget, expenditure and cash flow plan for which WETA is requesting that MTC issue an LONP for RM3 funds; now, therefore, be it

RESOLVED, that WETA commits \$25,000,000 of the \$300,000,000 RM3 Ferry Enhancement Program to the Project; and be it further

RESOLVED, that WETA and its agents shall comply with the provisions of the Metropolitan Transportation Commission's Regional Measure 3 Policies and Procedures; and be it further

RESOLVED, that, pursuant to the MOU, the Port will fund the scope of work covered under the LONP with non-RM3 funds; and be it further

RESOLVED, that, pursuant to the MOU, the Port proceeds with this scope of work at-risk, in the event that RM3 funds do not become available for allocation; and be it further

RESOLVED, that WETA will only be eligible for reimbursement for this scope of work from RM3 funds following an allocation by MTC, for expenses incurred following the date of the LONP approval; and be it further

RESOLVED, that WETA certifies that the project is consistent with the Regional Transportation Plan (RTP); and be it further

RESOLVED, that the year of funding for any design, right-of-way and/or construction phases has taken into consideration the time necessary to obtain environmental clearance and permitting approval for the project; and be it further

RESOLVED, that the RM3 phase or segment is fully funded, and results in an operable and useable segment; and be it further

RESOLVED, that WETA approves the LONP request and updated Initial Project Report, attached to this resolution; and be it further

RESOLVED, that WETA approves the cash flow plan, attached to this resolution; and be it further

RESOLVED, that pursuant to the MOU, the Port has warranted that it has reviewed the project needs and has adequate staffing resources to deliver and complete the project within the schedule set forth in the LONP request and updated IPR, attached to this resolution; and be it further

RESOLVED, that WETA is an eligible sponsor of projects in the Regional Measure 3 Expenditure Plan, in accordance with California Streets and Highways Code 30914.7(a); and be it further

RESOLVED, that WETA is authorized to submit an application for an LONP request for RM3 funds for the Mission Bay Ferry Landing project, under the Ferry Enhancement Program, in accordance with California Streets and Highways Code 30914.7(a); and be it further

RESOLVED, that pursuant to the MOU, the Port has warranted that the projects and purposes for which RM3 funds are being requested is in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.) and if relevant the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et seq. and the applicable regulations thereunder; and be it further

RESOLVED, that there is no legal impediment to WETA making LONP requests for RM3 funds; and be it further

RESOLVED, that pursuant to the MOU, the Port has warranted that there is no pending or **threatened** litigation which might in any way adversely affect the proposed Project, or the ability of the Port to deliver such project; and be it further

RESOLVED, that WETA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and be it further

RESOLVED, that WETA shall indemnify and hold harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of WETA, its officers, employees or agents, or subcontractors or any of them in connection with its performance of services under this allocation of RM3 funds. WETA agrees at its own cost, expense, and risk, to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against MTC, BATA, and their Commissioners, officers, agents, and employees, or any of them, arising out of such act or omission, and to pay and satisfy any resulting judgments. In addition to any other remedy authorized by law, so much of the funding due under any future allocation of RM3 funds to this scope as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages, and be it further

RESOLVED, that WETA shall, if any revenues or profits from any non-governmental use of the Project that those revenues or profits shall be used exclusively for WETA's public transportation services for which the project was initially approved, either for capital improvements or maintenance and operational costs, otherwise the Metropolitan Transportation Commission is entitled to a proportionate share equal to MTC's percentage participation in the Projects; and be it further

RESOLVED, that assets purchased with RM3 funds including facilities and equipment shall be used for the public transportation uses intended, and should said facilities and equipment cease to be operated or maintained for their intended public transportation purposes for its useful life, that MTC shall be entitled to a present day value refund or credit (at MTC's option) based on MTC's share of the Fair Market Value of the said facilities and equipment at the time the public transportation uses ceased, which shall be paid back to MTC in the same proportion that RM3 funds were originally used; and be it further

RESOLVED, that following an allocation of RM3 funds for this scope of work, pursuant to the MOU, the Port has warranted that it shall post on both ends of the construction site(s) at least two signs visible to the public stating that the Project is funded with Regional Measure 3 Toll Revenues; and be it further

RESOLVED, that WETA authorizes its Executive Director to execute and submit an LONP request for the construction phase with MTC for RM3 funds in the amount of \$25,000,000, for the Mission Bay Ferry Landing project, purposes and amounts included in the project application attached to this resolution; and be it further

RESOLVED, that the Executive Director is hereby delegated the authority to make non-substantive changes or minor amendments to the LONP request or IPR as she deems appropriate; and be it further

RESOLVED, that a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the WETA LONP request referenced herein.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on February 13, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-05

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Operations & Maintenance Manager

SUBJECT: Approve Contract Award to Aurora Marine Design for Construction Management Services for the MV *Bay Breeze* Replacement Project

Recommendation

Approve contract award to Aurora Marine Design for construction management services for the MV *Bay Breeze* Replacement project and authorize the Executive Director to negotiate and execute an agreement for these services and take any other such related actions to support this work.

Background

The MV *Bay Breeze* has met the replacement age of 25 years, qualifying it for Federal Transit Administration (FTA) replacement funds available through the Metropolitan Transportation Commission in accordance with their Transit Capital Priorities process. Staff has worked to secure both FTA and local match funds to support this replacement project, which is included in the FY 2019/20 Capital Budget for implementation.

The MV *Bay Breeze* is a 250 passenger mid-sized vessel that operates as a part of WETA's Central Bay fleet. This vessel is utilized predominantly for the Harbor Bay and South San Francisco services as it is small enough to operate within the space and structural constraints of these ferry terminal areas. With the recently ordered high capacity vessels helping to address demand on Alameda/Oakland and Vallejo services, it is staff's assessment that the MV *Bay Breeze* replacement should be sized to continue to support the Harbor Bay and South San Francisco services and have a carrying capacity of approximately 320 passengers in order to meet the ridership demand of the Harbor Bay service.

Discussion

On July 11, 2019 the Board of Directors authorized staff to release a Request for Proposals (RFP) for construction management services for this project in order to identify and select a qualified firm to assist with shipyard selection, vessel construction management oversight and warranty administration once the new vessel is put into service. On January 2, 2020, WETA issued the RFP for services and on January 24, 2020, WETA received a total of three proposals in response to the RFP.

Selection criteria for the contract, as established within the RFP, included the following:

1. Understanding of Project Objectives

Criteria - understanding of services required and significance to WETA; identification of additional tasks not listed in scope of services that may be required to complete the project.

2. Technical and Management Approach

Criteria - knowledge of reviewing agencies and the role they will play in process; potential impacts to cost, scope, and schedule based on lessons learned; recommendations to lower/control costs given proposed scope of project; approach to working with WETA staff and consultants.

3. Capabilities and Experience of Proposed Staff

Criteria - qualifications and experience of proposed team, emphasizing specific qualifications and experience acquired.

WETA established an Evaluation Committee to review and score the proposals against the review criteria included in the RFP. The scoring results of the review are summarized in Table 1 below.

Table 1 – Scoring

	Firms		
	<i>Crowley Solutions</i>	<i>Fast Ferry Management</i>	<i>Aurora Marine Design</i>
Technical Score	61.3	88.2	91.8

Based upon the evaluation and scoring of proposals, the Evaluation Committee identified Aurora Marine Design as the most qualified firm to perform this work. The Aurora team has extensive experience working on similar projects for WETA and other organizations. The work under this contract will include such items as preparation of technical specifications, vessel construction management, and warranty administration. The construction management tasks will include inspection and testing services throughout all phases of construction.

The recommended contract award is for a total amount not to exceed \$600,000 which represents approximately 4 percent of the estimated vessel construction cost and is on par with the cost of other similar projects implemented by WETA. The work under this contract will be managed by task orders issued by WETA staff within the overall contract limit.

FTA Disadvantaged Business Enterprise Project Goal

The MV Bay Breeze Replacement vessel construction project will be funded in part with FTA funds and requires approval of a Disadvantaged Business Enterprise (DBE) project goal. Development of the project goal included an extensive analysis of available DBE firms and an active outreach effort to potential shipyards, subcontractors, DBE firms, as well as community-based organizations working with small businesses. Based on the analysis WETA proposed a 1.58 percent DBE project goal relating to the federal funds included in this project. WETA submitted the DBE project goal setting methodology and analysis to FTA on October 30, 2019. On November 25, 2019 WETA received approval from FTA for the 1.58 percent DBE project goal.

Staff has reviewed the DBE materials provided by Aurora and has determined that they have complied with the DBE requirements for this contract. One of the subcontractors that Aurora has committed to use is in the process of applying for DBE certification through the California Unified Certification Program. Pending approval of this firm's DBE certification, Aurora will be able commit to 3 percent DBE participation on this contract. It is important to note that this will

be the first time WETA has been able to obtain DBE certification on any vessel construction or refurbishment contract.

Fiscal Impact

The *MV Bay Breeze Replacement* project is included in the FY 2019/20 Capital Budget with a total project budget of \$18 million, funded with a combination of Federal Transit Administration (80 percent), State Cap and Trade (9 percent), State Transit Assistance (2 percent) and Alameda Transportation Sales Tax (9 percent) funds. Sufficient funds are in the total project budget to support the award of the Construction Management contract to Aurora Marine Design for a total amount not to exceed \$600,000.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-06

**APPROVE CONTRACT AWARD TO AURORA MARINE DESIGN FOR CONSTRUCTION
MANAGEMENT SERVICES FOR THE MV *BAY BREEZE* REPLACEMENT PROJECT**

WHEREAS, WETA authorized release of a Request for Proposals (RFP) for vessel construction management services at its July 11, 2019 meeting to support the MV *Bay Breeze* vessel replacement project; and

WHEREAS, WETA has secured federal funds and the required local match to support implementation of this project; and

WHEREAS, WETA has worked with the Federal Transit Administration to receive approval of a Disadvantaged Business Enterprise goal for this project, as required; and

WHEREAS, WETA has established procedures in its Administrative Code relating to the solicitation, selection and contracting for consulting services for projects with Federal Transit Administration funds; and

WHEREAS, WETA followed the procedures specified in its Administrative Code regarding solicitation of proposals and evaluation of qualifications for this project; and

WHEREAS, as the result of the process, WETA staff recommends award of a contract to Aurora Marine Design for a total amount not to exceed \$600,000, with actual expenditures to be authorized within this amount on a task order basis now, therefore, be it

RESOLVED, that the Board of Directors hereby approves entering into an agreement with Aurora Marine Design for vessel engineering and construction management services for the MV *Bay Breeze* replacement project for a total amount not to exceed \$600,000; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute an agreement for these services and take any other related actions to support this work.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on February 13, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-06

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Operations & Maintenance Manager

SUBJECT: Authorize Release of a Request for Proposals for MV *Bay Breeze* Replacement Vessel Construction

Recommendation

Authorize release of a Request for Proposals for the MV *Bay Breeze* replacement vessel construction.

Background

The MV *Bay Breeze* has met the replacement age of 25 years, qualifying it for Federal Transit Administration (FTA) replacement funds available through the Metropolitan Transportation Commission in accordance with their Transit Capital Priorities process. Staff has worked to secure both FTA and local match funds to support this replacement project, which is included in the FY 2019/20 Capital Budget for implementation.

The MV *Bay Breeze* is a 250 passenger mid-sized vessel that operates as a part of WETA's Central Bay fleet. This vessel is utilized predominantly for the Harbor Bay and South San Francisco services as it is small enough to operate within the space and structural constraints of these ferry terminal areas. With the recently ordered high capacity vessels helping to address demand on Alameda/Oakland and Vallejo services, it is staff's assessment that the MV *Bay Breeze* replacement should be sized to continue to support the Harbor Bay and South San Francisco services and have a carrying capacity of approximately 320 passengers in order to meet the ridership demand of the Harbor Bay service.

Discussion

Project work began in 2019 as staff developed a Construction Management Request For Proposals (RFP) and worked with the Federal Transit Administration (FTA) to secure approval of a Disadvantaged Business Enterprise (DBE) goal for the project, as required. The Board item prior to this recommended award of a construction management contract to support this project.

Vessel Construction Request for Proposal

The RFP for the MV *Bay Breeze* Replacement project will solicit proposals from qualified small passenger vessel builders to provide a vessel meeting the required vessel design specifications. The vessel will employ the latest technology available while meeting Environmental Protection Agency Tier 4 emission standards. In addition, staff will analyze the vessel's efficiency with a focus in the following areas:

- Vessel fuel consumption
- Passenger count

- Emission reduction controls
- Hull design
- Weight
- Speed
- Durability
- Parent craft

The *MV Bay Breeze* replacement will be designed as a multipurpose vessel with the flexibility to provide service on all of WETA's routes. This vessel will be designed to have minimal environmental impact, advanced emission controls, and shallow draft and low wake features. In addition, the vessel will be designed to accommodate 320 passengers, an increase to the *MV Bay Breeze* maximum capacity of 250, in order to support increased ridership demand on scheduled services.

The procurement process will use a Best Value approach consistent with prior solicitations. Sixty percent of the proposal evaluation score will be based on the technical approach to the vessel and forty percent will be based on price. Once the Best Value proposal is identified, staff will return to the Board to propose a contract award for this project.

This RFP will include a request for pricing for an optional second vessel in order to position WETA to move quickly to construct a second vessel in the event that RM3 or other new funds are made available in the coming year.

FTA Disadvantaged Business Enterprise Project Goal

The *MV Bay Breeze* Replacement Vessel Construction project will be funded in part with FTA funds and requires approval of a Disadvantaged Business Enterprise (DBE) project goal. Development of the project goal included a public participation meeting with potential shipyards and subcontractors. WETA submitted the DBE project goal setting methodology and analysis to FTA on October 30, 2019. On November 25, 2019 WETA received approval from FTA of the proposed overall DBE project goal of 1.58% and determined that it meets the requirements set out in the Department of Transportation's DBE regulations.

Fiscal Impact

The *MV Bay Breeze Replacement* project is included in the FY 2019/20 Capital Budget with a total project budget of \$18 million, funded with a combination of FTA (80 percent), State Cap and Trade (9 percent), State Transit Assistance (2 percent) and Alameda Transportation Sales Tax (9 percent) funds. Funds from this project budget will be used to support the cost of soliciting proposals for this project.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Michael Gougherty, Senior Planner/Project Manager
Arthi Krubanandh, Transportation Planner

SUBJECT: Authorize Staff to Seek Public Input on Draft FY 2020/21-2024/25 Fare Program

Recommendation

Authorize staff to conduct outreach with riders and the general public to seek input on the draft FY 2020/21-2024/25 Fare Program.

Summary

The proposed new five-year fare program carries forward several major features of the current program including maintaining the same fare categories, continuing an Adult Clipper discount of 25 percent and providing the same inter-operator transfer discounts. The primary components making up the proposed five-year fare program proposed for implementation beginning July 1, 2020, are summarized below:

- Apply a 3 percent annual escalation to regular service fares consistent with the current program in order to keep pace with the cost of inflation;
- Eliminate the Vallejo monthly pass in favor of offering a 25 percent frequent rider fare discount exclusively through Clipper consistent with other WETA services;
- Adjust the Alameda/Oakland special event fare to \$10.00 for Adults and \$7.50 for Youth/Senior to ensure full cost recovery and apply an escalation of 3 percent annually thereafter, consistent with the proposal for regular WETA services;
- Maintain the Vallejo special event fares at \$15.90 for Adults and \$11.80 for Youth/Senior in the first year of the program and apply an escalation of 3 percent annually thereafter, consistent with the proposal for regular WETA services;
- Adjust the base short hop fare to \$3.00 for Adults to better align with comparable local transit fares and apply an escalation of 3 percent annually thereafter, consistent with the proposal for all other WETA services; and
- Establish a fare program for the new Seaplane Lagoon Ferry service scheduled to start in August 2020 that matches the nearby Alameda/Oakland service fare program.

Background

In November 2011 WETA adopted a fare policy that was designed to support system cost recovery and promote system ridership. In September 2014, the WETA Board approved a five-year FY 2015/16-2019/20 Fare Program developed to achieve specific objectives consistent with WETA's fare policy and the overall goal of achieving fiscal sustainability and systemwide consistency.

WETA's ridership growth and financial performance under the FY 2015/16-2019/20 Fare Program has been consistent with the goals of the adopted fare program and policy. Since the start of FY 2015/16, ridership and operating costs have grown at an average rate of 49 percent over a roughly five-year period. With the fare program in place, WETA has been able to maintain a relatively consistent farebox recovery ratio - which has increased modestly from 53 percent in FY 2015/16 to 57 percent in FY 2019/20 - while working to enhance the level of services provided on existing services.

Discussion

New authorization will be needed by the WETA Board to implement future fare changes for FY 2020/21 and beyond since the current fare program only runs through the end of FY 2019/20. Staff has coordinated with fare specialist Four Nines Technologies to provide consultant services to support development of the new multi-year fare program.

Fare Program Goals and Objectives

As a part of the initial work effort, an extensive review of industry best practices was undertaken by the consultant to help inform program development and discussion. Based upon this work, staff developed a set of goals and objectives for the fare program that were presented and discussed with the WETA Board of Directors at the October 3, 2019 meeting that included the following focus areas for program development:

- 1) Financial Sustainability
 - Continue implementing relatively small fare increases on a relatively frequent (annual) basis to account for operating cost inflation.
 - Consider use of fare surcharges to mitigate significant unforeseen increases in operating expenses.
 - Include Special Event fares in the fare program and ensure that the services cover their full incremental operating costs.
- 2) Maximize Ridership
 - Keep WETA's fares for frequent commuters competitive with fares for other regional transit options.
 - Pursue pricing strategies that ensure WETA services are affordable for a broad range of potential riders.
- 3) Flexibility
 - Design a flexible program that can be adaptable to accommodate future initiatives such as a regional fare program, new fare collection technologies, new services and the potential to implement parking fees.
- 4) Seamless Transit Connections
 - Encourage transit access to WETA terminals by working with local bus operators to provide free or discounted bus transfers to and from WETA ferries on a shared-cost basis.

5) Fare Simplification

- Offer price incentives for electronic fare payment media in order to reduce cash fare collection and ticket sales requirements.
- Simplify cash fare collection by rounding fares to nearest \$0.25.

Staff has worked with Four Nines Technologies to develop the proposed FY 2020/21-2024/25 Fare Program based upon these program goals and objectives as discussed with the Board.

Proposed Fare Program

The proposed fare program recommended for implementation maintains much of the same structure as the current program in areas such as a uniform discount for Clipper fare media, inter-operator transfers and an annual escalation of fares of approximately 3 percent. The consultant's analysis showed that, over the five years, the proposed program would result in a slight revenue increase and a similar ridership impact compared to that of the current program. In addition, this fare program will allow for a smooth transition to Clipper 2.0 and will position WETA to participate in the regional Means-Based Fare program once the pilot program is completed.

A brief summary and discussion of the primary components and changes proposed as a part of the five-year fare program is provided below and complete fare schedules for each service are provided in **Attachments A through H**.

- **Three Percent Annual Fare Escalation** – The proposed program recommends continuing to raise regular service fares by 3 percent annually in order to keep pace with the cost of inflation and to extend this annual escalation to special event fares for consistency. An analysis of the last five years indicates that this escalation rate was on target to meet cost escalation over this period.
- **Eliminate Vallejo Monthly Pass** – One of the changes implemented in the FY 2015/16-2019/20 fare program included establishing common fare products for the WETA system. As a result, fare products such as ticket books and monthly passes were eliminated for all the other services, except for the monthly pass on the Vallejo service. Currently, on average, a Vallejo ferry rider would have to take approximately 38 trips per month to benefit from the Vallejo monthly pass (\$388), while the Clipper discount of 25 percent is available regardless of the number of rides. Aligning with our goal to streamline fare products and to simplify fares across WETA services, the new fare program proposes eliminating the Vallejo monthly pass in favor of offering a frequent rider fare discount (25%) exclusively through Clipper. This will bring consistency to our discount fare program and reduce the administrative costs and fraud risk associated with the pass program.
- **Special Event Fare Changes** – Based on an analysis of the past services provided and planned 2020 services (discussed in Item 13), staff has developed a proposal to adjust and maintain special event fares over the five-year program. Based upon an analysis of past year special event operating costs and fare revenues, staff proposes to hold the Vallejo special event fares at the current rate for the first year of the fare program and to adjust the Alameda/Oakland fares to \$10 Adult and \$7.50 Youth/Senior in order to meet 100 percent cost recovery policy requirement for these services. These fares would be adjusted 3 percent annually thereafter consistent with the proposal for regular WETA services.

- **Short Hop Fare Adjustment** – “Short hop” describes short trips in the system between nearby terminals. Currently, short hop fares apply to trips between Alameda Main Street-Oakland, Mare Island-Vallejo and Pier 41-Downtown San Francisco. The new fare program proposes to establish a base adult fare of \$3 for short hops in the first year of the program, to better align with comparable local transit trips in the area. The short hop fare would be subject to a 3 percent increase annually thereafter consistent with the proposal for all other WETA services.
- **Establish New Seaplane Lagoon Fare** – WETA anticipates starting new Seaplane Lagoon ferry service in August 2020. With the opening of this new service, it is anticipated that most of the peak-period riders from Alameda Main Street will shift to the new Seaplane Lagoon Terminal. Staff proposes to set the new Seaplane Lagoon ferry service fares equal to the fares for the nearby complimentary Alameda/Oakland service. Fares for this service would be adjusted 3 percent annually consistent with all other WETA services.

Title VI Compliance:

The FY 2020/21-2024/25 Fare Program is consistent with Federal Transit Administration’s (FTA) Circular 4702.1B, “Title VI Requirements and Guidelines for Federal Transit Administration Recipients.” When conducting outreach to the public, WETA will follow its Title VI Limited English Proficiency Plan and process to solicit public comments. Consistent with these policies, information will be provided to the public in English, Spanish and Chinese languages to ensure that public input is sought and considered regardless of language spoken.

Next Steps

Provided Board approval, staff will begin the outreach process by holding public workshops in locations accessible to patrons of each service route in February and March. After the workshops are completed the following steps would be taken:

- March 2020: Consider public input and develop final program proposal.
- April 2020: Hold public hearing for final program proposal; present final fare program to WETA Board for approval.
- May/June 2020: Coordinate with WETA vendors and Clipper Program to prepare for implementation of new program.
- July 2020: Begin implementation of new fare program.

Fiscal Impact

Funds are included in the FY 2019/20 Operating Budget to cover the nominal cost of performing public outreach for the proposed new FY 2020/21-2024/25 Fare Program.

END

Attachment A

Proposed Alameda/Oakland - San Francisco Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES – FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Adult	\$7.20	Adult	\$7.50	\$7.75	\$8.00	\$8.25	\$8.50
Adult (Clipper Only)	\$5.40	Adult (Clipper Only)	\$5.60	\$5.80	\$6.00	\$6.20	\$6.40
Youth (5-18 years)	\$3.60	Youth (5-18 years)	\$3.70	\$3.80	\$4.00	\$4.10	\$4.20
Seniors (65+), Disabled	\$3.60	Seniors (65+), Disabled	\$3.70	\$3.80	\$4.00	\$4.10	\$4.20
Children under 5	FREE	Children under 5	FREE	FREE	FREE	FREE	FREE
DISCOUNT FARE PRODUCTS		DISCOUNT FARE PRODUCTS		FY 2022	FY 2023	FY 2024	FY 2025
School groups*	\$2.40	School groups*	\$2.50	\$2.60	\$2.70	\$2.80	\$2.80

* School/Group Fares by Advanced Reservation Only

No significant modifications to Alameda/Oakland service are proposed.

Fare Products

There is no change in fare products proposed for Alameda/Oakland service.

Multi-year Fare Increase

The base-level adult fare increase is calculated at 3 percent annually to keep pace with inflation and operating cost increases. Adult cash fares are rounded to the nearest quarter to simplify cash handling. The first increase would take effect on July 1, 2020 (FY 2020/21).

Attachment B Proposed Vallejo Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES – FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Adult	\$15.10	Adult	\$15.50	\$16.00	\$16.50	\$17.00	\$17.50
Adult (Clipper Only)	\$11.30	Adult (Clipper Only)	\$11.60	\$12.00	\$12.40	\$12.80	\$13.10
Youth (5-18 years)	\$7.50	Youth (5-18 years)	\$7.70	\$8.00	\$8.20	\$8.50	\$8.70
Seniors (65+), Disabled	\$7.50	Seniors (65+), Disabled	\$7.70	\$8.00	\$8.20	\$8.50	\$8.70
Children under 5	FREE	Children under 5	FREE	FREE	FREE	FREE	FREE
DISCOUNT FARE PRODUCTS		DISCOUNT FARE PRODUCTS		FY 2022	FY 2023	FY 2024	FY 2025
School groups*	\$5.00	School groups*	\$5.20	\$5.30	\$5.50	\$5.70	\$5.80
Monthly Pass	\$388	Monthly Pass	\$388				

* School/Group Fares by Advanced Reservation Only

Significant modifications for the Vallejo service are the elimination of Vallejo monthly pass in favor of the regular Clipper discount.

Fare Products

The proposal eliminates the Vallejo monthly pass. This product will be replaced by the standard Clipper discount of 25 percent. Eliminating the monthly pass will result in maintaining consistency of similar fare products across WETA services and will eliminate the administrative cost and fraud risk associated with the pass program.

Multi-year Fare Increase

The base-level adult fare increase is calculated at 3 percent annually to keep pace with inflation and operating cost increases. Adult cash fares are rounded to the nearest quarter to simplify cash handling. The first increase would take effect on July 1, 2020 (FY 2020/21).

Attachment C Proposed Harbor Bay Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES – FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Adult	\$7.50	Adult	\$7.75	\$8.00	\$8.25	\$8.50	\$8.75
Adult (Clipper Only)	\$5.60	Adult (Clipper Only)	\$5.80	\$6.00	\$6.20	\$6.40	\$6.60
Youth (5-18 years)	\$3.70	Youth (5-18 years)	\$3.80	\$4.00	\$4.10	\$4.20	\$4.30
Seniors (65+), Disabled	\$3.70	Seniors (65+), Disabled	\$3.80	\$4.00	\$4.10	\$4.20	\$4.30
Children under 5	FREE	Children under 5	FREE	FREE	FREE	FREE	FREE
DISCOUNT FARE PRODUCTS		DISCOUNT FARE PRODUCTS		FY 2022	FY 2023	FY 2024	FY 2025
School groups*	\$2.50	School groups*	\$2.60	\$2.70	\$2.80	\$2.80	\$2.90

* School/Group Fares by Advanced Reservation Only

No significant modifications to Harbor Bay service are proposed.

Fare Products

There is no change in fare products proposed for Harbor Bay service.

Multi-year Fare Increase

The base-level adult fare increase is calculated at 3 percent annually to keep pace with inflation and operating cost increases. Adult cash fares are rounded to the nearest quarter to simplify cash handling. The first increase would take effect on July 1, 2020 (FY 2020/21).

Attachment D

Proposed South San Francisco Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES – FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Adult	\$9.40	Adult	\$10.00	\$10.50	\$11.25	\$12.00	\$12.50
Adult (Clipper Only)	\$8.10	Adult (Clipper Only)	\$8.30	\$8.50	\$8.80	\$9.10	\$9.40
Youth (5-18 years)	\$4.70	Youth (5-18 years)	\$5.00	\$5.20	\$5.60	\$6.00	\$6.20
Seniors (65+), Disabled	\$4.70	Seniors (65+), Disabled	\$5.00	\$5.20	\$5.60	\$6.00	\$6.20
Children under 5	FREE	Children under 5	FREE	FREE	FREE	FREE	FREE
DISCOUNT FARE PRODUCTS		DISCOUNT FARE PRODUCTS		FY 2022	FY 2023	FY 2024	FY 2025
School groups*	\$3.10	School groups*	\$3.30	\$3.50	\$3.80	\$4.00	\$4.20

* School/Group Fares by Advanced Reservation Only

Note: This fare applies to the regular Alameda/Oakland to South San Francisco service as well as the limited reverse commute South San Francisco to Harbor Bay service launched in 2019.

Fare Products

There is no change in fare products proposed for South San Francisco service.

Multi-year Fare Increase

The proposal for South San Francisco fare increases will remain the same as in the current fare program which applies an annual increase to the base Clipper fare of 3 percent while imposing a cash surcharge for non-Clipper fares that grows at 6 percent annually. The discount for using Clipper compared to the cash fare will increase from 14 percent in FY 2019/20 to 25 percent at the end of the five-year period in FY 2024/25.

Attachment E Proposed Richmond Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES – FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Adult	\$9.30	Adult	\$9.50	\$9.75	\$10.00	\$10.25	\$10.50
Adult (Clipper Only)	\$7.00	Adult (Clipper Only)	\$7.10	\$7.30	\$7.50	\$7.70	\$7.90
Youth (5-18 years)	\$4.60	Youth (5-18 years)	\$4.70	\$4.80	\$5.00	\$5.10	\$5.20
Seniors (65+), Disabled	\$4.60	Seniors (65+), Disabled	\$4.70	\$4.80	\$5.00	\$5.10	\$5.20
Children under 5	FREE	Children under 5	FREE	FREE	FREE	FREE	FREE
DISCOUNT FARE PRODUCTS		DISCOUNT FARE PRODUCTS		FY 2022	FY 2023	FY 2024	FY 2025
School groups*	\$3.10	School groups*	\$3.20	\$3.30	\$3.30	\$3.40	\$3.50

* School/Group Fares by Advanced Reservation Only

No significant modifications to Richmond service are proposed.

Fare Products

There is no change in fare products proposed for Richmond service.

Multi-year Fare Increase

The base-level adult fare increase is calculated at 3 percent annually to keep pace with inflation and operating cost increases. Adult cash fares are rounded to the nearest quarter to simplify cash handling. The first increase would take effect on July 1, 2020 (FY 2020/21).

Attachment F Proposed Seaplane Lagoon Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES – FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Adult	-	Adult	\$7.50	\$7.75	\$8.00	\$8.25	\$8.50
Adult (Clipper Only)	-	Adult (Clipper Only)	\$5.60	\$5.80	\$6.00	\$6.20	\$6.40
Youth (5-18 years)	-	Youth (5-18 years)	\$3.70	\$3.80	\$4.00	\$4.10	\$4.20
Seniors (65+), Disabled	-	Seniors (65+), Disabled	\$3.70	\$3.80	\$4.00	\$4.10	\$4.20
Children under 5	-	Children under 5	FREE	FREE	FREE	FREE	FREE
DISCOUNT FARE PRODUCTS		DISCOUNT FARE PRODUCTS		FY 2022	FY 2023	FY 2024	FY 2025
School groups	-	School groups*	\$2.50	\$2.60	\$2.70	\$2.80	\$2.80

* School/Group Fares by Advanced Reservation Only

Seaplane Lagoon service to San Francisco is scheduled to launch in August 2020. The Seaplane Lagoon Ferry service would not replace the Alameda/Oakland service but would instead provide the opportunity to expand service to western Alameda. This service is anticipated to shift some of the peak-period Alameda ridership from the current Alameda Main Street terminal to the Seaplane Lagoon terminal, largely decoupling the Alameda and Oakland services during the commute period.

The proposed fare structure for new Seaplane Lagoon is identical to the Alameda/Oakland fare structure. Over the five-year program, the Seaplane Lagoon ferry service will have a 3 percent annual increase in the base fare.

Fare Products

Fare products for this service is proposed to be the same as that of Alameda/Oakland service to San Francisco.

Multi-year Fare Increase

The base-level adult fare increase is calculated at 3 percent annually to keep pace with inflation and operating cost increases. Adult cash fares are rounded to the nearest quarter to simplify cash handling. The first increase would take effect on July 1, 2021 (FY 2021/22).

Attachment G Short Hop Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES— FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Between Oakland and Alameda							
Adult	\$1.70	Adult	\$3.00	\$3.10	\$3.20	\$3.30	\$3.40
Youth	\$0.80	Youth	\$1.50	\$1.50	\$1.60	\$1.60	\$1.70
Seniors (65+), Disabled	\$0.80	Seniors (65+), Disabled	\$1.50	\$1.50	\$1.60	\$1.60	\$1.70
Between Vallejo and Mare Island							
Adult	\$1.70	Adult	\$3.00	\$3.10	\$3.20	\$3.30	\$3.40
Youth	\$0.80	Youth	\$1.50	\$1.50	\$1.60	\$1.60	\$1.70
Seniors (65+), Disabled	\$0.80	Seniors (65+), Disabled	\$1.50	\$1.50	\$1.60	\$1.60	\$1.70
Between San Francisco Ferry Building and Pier 41							
Adult	\$1.70	Adult	\$3.00	\$3.10	\$3.20	\$3.30	\$3.40
Youth	\$0.80	Youth	\$1.50	\$1.50	\$1.60	\$1.60	\$1.70
Seniors (65+), Disabled	\$0.80	Seniors (65+), Disabled	\$1.50	\$1.50	\$1.60	\$1.60	\$1.70

“Short hop” describes short trips in the system between nearby terminals. Currently, short hop fares apply to trips between Alameda-Oakland, Mare Island-Vallejo and Pier 41-Downtown San Francisco. Short hop riders amount to only 0.04 percent of the WETA systemwide ridership. The new fare program proposes to establish a standardized base fare of \$3.00 for short hops which is similar to the fare for local transit trips in the area.

Riders who transfer between WETA’s regular services and the Pier 41-Downtown San Francisco short hop service will have a free transfer.

Fare Products

Short Hop adult fares are proposed to increase from \$1.70 to \$3.00 in FY 2020/21.

Multi-year Fare Increase

Similar to the regular services, the short hops base-level adult fare increase is calculated at 3 percent annually and rounded to the nearest dime to keep pace with inflation and operating cost increases. The first increase would take effect on July 1, 2020 (FY 2020/21).

Attachment H Special Events Fare Structure

CURRENT		PROPOSED		FUTURE			
STANDARD FARES		STANDARD FARES – FY 2021		FY 2022	FY 2023	FY 2024	FY 2025
Between Oakland/Alameda and Oracle Park							
Adult	\$9.60	Adult	\$10.00	\$10.25	\$10.50	\$10.75	\$11.00
Youth	\$7.20	Youth	\$7.50	\$7.75	\$8.00	\$8.00	\$8.25
Seniors, Disabled, Medicare	\$7.20	Seniors, Disabled, Medicare	\$7.50	\$7.75	\$8.00	\$8.00	\$8.25
Between Vallejo and Oracle Park							
Adult	\$15.90	Adult	\$15.90	\$16.50	\$17.00	\$17.50	\$18.00
Youth	\$11.80	Youth	\$11.80	\$12.50	\$12.75	\$13.25	\$13.50
Seniors, Disabled, Medicare	\$11.80	Seniors, Disabled, Medicare	\$11.80	\$12.50	\$12.75	\$13.25	\$13.50

A separate memorandum in the February Board packet details changes to WETA's upcoming special events service for both Oracle Park and Chase Center.

Significant modifications for the special events are the proposed fares due to the service changes and a proposed 3 percent annual increase in the base fare.

Fare Products

The adult fare for Oakland/Alameda special event service is proposed to increase from \$9.60 to \$10 in FY 2020/21. No change is proposed to the adult fare for Vallejo special event service in FY 2020/21.

Multi-year Fare Increase

The base-level adult fare increase is calculated at 3 percent annually and rounded to the nearest quarter to keep pace with inflation and operating cost increases. The first fare increase would take effect on July 1, 2020 (FY 2020/21).

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Operations & Maintenance Manager

SUBJECT: Special Event Service Plan for 2020

Background

Ferry service to Giants Baseball games began in 2000 with the opening of what is now Oracle Park service. At that time, the cities of Alameda and Vallejo operated the services. This special event service has been popular, has helped promote visibility of the ferry service, and has contributed to overall ridership growth.

In the summer of 2019, WETA worked in partnership with Golden Gate Ferry and the Port of San Francisco to install a temporary ferry landing at Pier 48½. New special event service from Alameda/Oakland to Pier 48½ to serve Golden State Warriors games and concerts at the newly opened Chase Center at Mission Bay was launched October 2019.

The established fare policy for special events requires that fares cover the entire cost to provide that service.

Discussion

Chase Center Warriors – Alameda/Oakland Service

Ridership for Warriors basketball games has proven to be strong. Since Chase Center service began on Saturday October 5, 2019 through the most recent game on Friday, January 24, WETA has served over 7,500 passengers to a total of 26 games. The average passenger count going to Chase Center is 154, and the average passenger count returning from Chase Center is 185. Given this high demand, staff is prepared to continue offering direct service for Warrior basketball games as this meets the current break-even threshold of 169 passengers per trip for the service and vessel resources are available to serve these weekday evening and weekend trips.

Chase Center Concerts/Events – Alameda/Oakland Service

In 2019, as plans for the temporary terminal at Pier 48½ were discussed, the Board expressed interest in offering Alameda/Oakland service to concerts at Chase Center in addition to Warriors games. Providing service to concerts is a brand-new endeavor for WETA. Ridership has been variable from event to event with a service average of 66 passengers each way for the 17 concerts served, which is well below the current break-even threshold of 169 passengers per trip required to cover the cost of providing the service.

In December 2019, staff ran a paid social media advertising campaign entirely focused on Chase Center concert ferry service due to a number of high-profile acts performing at the arena that month, including Andrea Bocelli, Trevor Noah and Ariana Grande. The campaign ran on Facebook and Instagram and focused on the ferry being a fun and relaxing method to

get to events at Chase Center. Demographic data collected from the ad campaign indicates higher interest in ferry service for concerts among older audiences and will inform future marketing focuses.

Staff will continue to sell tickets and offer service to planned concerts at the Chase Center through June 2020. However, unless ridership increases considerably staff will plan to work to discontinue special event concert service in July 2020.

Oracle Park Giants Service – Alameda/Oakland and Vallejo

WETA provides weekday and weekend service to Oracle Park from both Vallejo and Oakland/Alameda. Direct service is provided from Oakland/Alameda for weeknight Giants games. Vallejo does not offer direct service to these games but instead offers return-only service for weeknight games.

In comparing overall season ridership for 2018 and 2019, staff noted Vallejo Giants ridership dropped by 9 percent, from 18,191 riders in 2018 down to 16,398 in 2019. In Alameda and Oakland, it dropped by 21 percent, from 32,197 riders in 2018 down to 25,353 in 2019. The decrease may be related to team performance during the 2019 season.

Additionally, beginning with the 2019 season, the Giants changed the start time of weeknight games from 7:15 p.m. to 6:45 p.m. Monday through Thursday. This time change impacted the Alameda/Oakland service by preventing use of an existing commute service vessel and requiring an additional crew and vessel to provide the direct trip to Oracle Park for the weeknight games. The earlier start time also caused docking conflicts at the single berth Main Street Alameda terminal during the peak of the commute. There was no impact to the Vallejo service which offers return-only service for weeknight games.

In 2019, ridership numbers for 31 weeknight games served Monday through Thursday show an average of 119 passengers going to the ballpark and an average of 145 on the return trip indicating that 18 percent fewer passengers travel to Oracle Park on the ferry than return home on the ferry. We also see higher ridership on our regular Alameda/Oakland afternoon service to San Francisco on those ballgame days, indicating that some riders are likely taking our regularly scheduled service rather than the ballpark direct service.

To most efficiently utilize our crews and vessels, and to minimize docking conflicts encountered at Main Street Alameda as a result of the earlier game start time, staff recommends running return-only service from Oracle Park to Alameda/Oakland on weeknight games Monday through Thursday. WETA provides six scheduled trips from Oakland and Alameda to the Ferry Building between 1:55 p.m. and 5:55 p.m. on weekdays that Giants fans can utilize to travel to downtown San Francisco to attend weekday evening games. This service approach is consistent with weekday evening service offered for Vallejo-Oracle Park Giants service.

Direct service from Alameda/Oakland to Oracle Park on Friday nights and weekends would not change, and there would be no changes to Vallejo-Oracle Park Giants service.

END