

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

(February 13, 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 welcomed meeting attendees. He said that he had asked staff to identify opportunities to hold the WETA Board meetings in various locations around the Bay Area and that a revised meeting schedule would be forthcoming.

Chair Wunderman said that since his appointment as WETA's Board Chair he has received numerous ideas, thoughts, and requests from many people who are interested in water transit in the Bay Area. He said that while he was happy to receive all of this feedback, he reiterated that his objective as Board Chair was to have such discussions publicly and transparently so that all interested parties, including WETA Directors and staff, have the opportunity to participate in the discussions. As such, he has asked staff to schedule a special meeting in the coming month to allow people to share their ideas on the direction the agency should take going into the future to meet its mission and create a world class water transit system for the Bay Area. He said he would like that hearing scheduled for March, and he hoped people would attend to listen but also participate by sharing their thoughts and ideas about WETA's future with all in a public forum.

4. REPORTS OF DIRECTORS

Director Intintoli emphasized the importance of holding meetings at times other than in the middle of weekdays so WETA riders who work during the day could attend.

Director DelBono said he agreed with all comments shared in the meeting thus far.

5. REPORTS OF STAFF

Executive Director Nina Rannells provided her written report to Directors and welcomed questions. She noted that WETA's third *Pyxis* class North Bay vessel, the MV *Lyra*, was due to arrive in San Francisco in March and expected to be put into service in April. She said staff was planning a grand opening of the Downtown San Francisco Ferry Expansion project on March 20. Ms. Rannells noted that a save the date notice would be sent out soon followed by invitations, and she said she hoped everyone would be able to join in the celebration of WETA's largest project to date.

Ms. Rannells said that on February 4, WETA's attorneys participated in a pre-hearing conference for a Prop SF application to the California Public Utilities Commission for some additional operating

authority for unscheduled, on-demand services. She said counsel and staff would continue to follow that application process and bring the outcome to the Board for further conversation if warranted.

Ms. Rannells said that the Fixing America's Surface Transportation (FAST) Act was due to expire in September 2020, and it was expected that Congress would be taking that legislation up in the spring. She added that the process would be monitored by WETA's federal legislative representatives. Ms. Rannells said staff had added a new element to the Board's staff reports of a list of Sacramento transportation bills to watch. She noted that this new element would continue throughout the legislative session, and that WETA's state legislative representatives were also monitoring and reporting on any California bills that might impact WETA.

Chair Wunderman said that Assemblymember David Chiu's bill which seeks to create a more seamless transit experience for Bay Area public transit users is part of a larger conversation taking place in the Bay Area that also includes work being done for the FASTER Bay Area ballot measure to generate huge funding for regional transportation. He said this discussion has resulted in a lot of good discussion regarding how transit should be provided, the interrelationship between the 28 or so operators in the region, how the Metropolitan Transportation Commission (MTC) fits into the puzzle, and how transit should be funded. He said that in the next few months decisions will be made in Sacramento about how to proceed with these legislative initiatives, and he urged those interested in transit in the Bay Area to monitor the work and outcomes.

Chair Wunderman noted that there was a lot of money in the California State transportation budget for carbon reduction, and this was a great time for WETA to be thinking aggressively about how to reduce its vessels' carbon emissions.

6. CONSENT CALENDAR

Director DelBono made a motion to approve the consent calendar:

- a. Board Meeting Minutes – January 9, 2020

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

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

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

Operations & Maintenance Manager Keith Stahnke presented this item to approve Tideline Marine Group's request for a one-year extension to its existing Harbor Bay Landing Agreement.

PUBLIC COMMENT

Tideline Marine Group (Tideline) Business Development Director Danielle Weerth said Tideline had developed a tentative agreement with the Inlandboatmen's Union (IBU) and that IBU Regional Director Robert Estrada was encouraging members to approve the agreement, which she expected would happen next week.

In response to a question from the Chair, Ms. Weerth said Tideline's Berkeley service operation was supported by three captains and four deckhands.

Director Intintoli asked, as more and more private service operators are working out on the bay, whether there was some schedule coordination between them and WETA to assure the services would not interfere with each other. Ms. Rannells said that the Tideline landings at WETA's terminal,

which were limited to supporting their private charter service to transport Exelixis employees between South San Francisco and Alameda's Harbor Bay, was well coordinated with WETA's Harbor Bay service schedule, and there was no schedule conflict. She asked Mr. Stahnke to comment on the question more specifically.

Mr. Stahnke noted that while the Harbor Bay terminal was one of the least utilized WETA facilities, there was room to accommodate the Tideline charter service. However, most other WETA terminals were quite busy during the commute period. He added that it was already a challenge to schedule WETA's own landings at the Alameda Main Street terminal because of the robust schedule the terminal currently supports.

Director DeIBono thanked Ms. Weerth and IBU for their work to assure labor harmony on their boats.

Director Intintoli made a motion to approve the item.

Director DeIBono seconded the motion and the item passed unanimously.

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

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

Chair Wunderman said that because Items 8 and 9 were related, he recommended that they be presented together for Board consideration. Planning & Development Manager Kevin Connolly presented Item 8 for Directors to approve entering into a Supplemental Memorandum of Understanding (MOU) with the Port of San Francisco (Port) for the Mission Bay Ferry Landing Project along with Item 9 to authorize staff to request a Letter of No Prejudice (LONP) for the Mission Bay Ferry Landing Project from MTC.

Mr. Connolly said that Item 8 recommended committing \$25 million in RM3 funds to the Mission Bay Ferry Landing construction project and authorizing WETA to enter into a Supplemental MOU with the Port as the lead on the project for construction and funding. He noted that once the construction was complete, the waterside assets would be turned over to WETA for operation and ownership.

Mr. Connolly noted that Item 9 authorized staff to request a LONP from MTC, allowing the Port to move forward with the construction now, before RM3 funds were available, and to receive reimbursement of \$25 million in RM3 funds if and when they become available.

Mr. Connolly explained that if the Board passed the two Items, its actions would set off a four month process that would include Port approval of the Supplemental MOU during February and March, the MTC action in April, and budget adoptions by the City of San Francisco and WETA in May. He added that if all goes as planned, construction was expected to begin in May or June. Mr. Connolly noted that WETA's lease for the facility would be \$1 per year for 66 years, and the Port and WETA would each have a set of different responsibilities related to the facility.

Mr. Connolly said that WETA would be the RM3 sponsor of this project since the \$25 million would come from WETA's RM3 funding, and the Port would assume the financial risk because the Port was basically fronting the funds. He said WETA was the first agency to utilize this LONP option and had worked very carefully with both the Port and MTC to develop this approach to moving the project forward in advance of the availability of RM3 funds.

The Chair commended Mr. Connolly, WETA staff, and the Port for their work to find a solution to WETA's funding measure for this important project. He added that this was a very important and positive step for Bay Area water transportation.

Mr. Connolly introduced Jamie Hurley, Real Estate Development Project Manager at the Port, who had joined the meeting.

PUBLIC COMMENTS

Mr. Hurley said this project was important to Port and the city of San Francisco. He said the project was unique in that all agencies involved with moving it forward were aligned, and the general San Francisco community - those in the Mission Bay area most especially - were also very enthusiastic and positive about assuring its success. Mr. Hurley emphasized that the Port's goal was to be able to move the project forward and get the facility built.

Mr. Hurley said that to date, the Port and City of San Francisco had spent about \$7 million for the permitting and design of the project. In response to a question from the Chair, he said that if WETA approves moving forward today, while not a guarantee, it was very likely the facility would be built. He added that if Commissioners approved the MOU on February 25, staff was expected to move forward with letting contracts and spending the funding.

Attorney James Bridgman of Aspelin & Bridgman LLP said he was Co-Chair of the San Francisco Zürich Sister City Committee, and that this project would be of great interest to other countries around the world that have ports. Mr. Bridgman asked if there was a substantial amount of private money going into this project, and Mr. Hurley said there was a private component from an anonymous donor who could not be revealed at this time.

University of California at San Francisco (UCSF) Director of Local & State Government Relations Amiee Alden thanked the Board for its work and offered UCSF's strong support for these items. She said UCSF had one of its major campuses at Mission Bay, that about a quarter of its employees working at the Mission Bay campus lived in the East Bay and employees could ride free shuttles from the Mission Bay Campus to other UCSF campuses throughout the city. She noted that UCSF's Mission Bay neighbors - including Uber, Dropbox, and the Chase Center - were also looking forward to the new ferry service. Ms. Alden thanked the Board for their creativity in working with the Port on this financial solution to advance funding for the new facility, and in response to a question from Director DelBono she said UCSF's transportation team robustly promoted transit options and would love to be able to promote the new ferry service to employees, patients, and the public in general up to service launch and regularly thereafter. She added that she would be happy to discuss those plans further with the Board.

At the conclusion of the presentation, Director Intintoli made a motion to approve entering into a Supplemental MOU with the Port of San Francisco for the Mission Bay Ferry Landing Project.

Director DelBono seconded the motion and the item passed unanimously.

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

9. AUTHORIZE STAFF TO REQUEST A LETTER OF NO PREJUDICE FOR THE MISSION BAY FERRY LANDING PROJECT FROM THE METROPOLITAN TRANSPORTATION COMMISSION

Item 9 was presented in coordination with Item 8, as noted above.

At the conclusion of the presentation, Director Intintoli made a motion to authorize staff to request a LONP for the Mission Bay Ferry Landing Project from the Metropolitan Transportation Commission.

Director DelBono seconded the motion and the item passed unanimously.

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

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

Chair Wunderman said that because Items 10 and 11 were related, they should also be presented together. Mr. Stahnke introduced Item 10 to approve a contract award to Aurora Marine Design for construction management service for the MV *Bay Breeze* Replacement Project and Item 11 to authorize staff to release a Request for Proposals (RFP) for MV *Bay Breeze* replacement vessel construction.

In relation to Item 10, Mr. Stahnke reviewed the construction management services RFP and award process for Directors and noted that Disadvantaged Business Enterprise (DBE) participation for this Federal Transit Administration funded construction management work was expected to be 3 percent. He emphasized that this was the first time WETA had been able to obtain DBE certification on any vessel construction or refurbishment project. Mr. Stahnke noted that the total contract amount would not exceed \$600,000 which represented 4 percent of the total vessel replacement project. In response to questions from the Chair, Mr. Stahnke said the proposals evaluation committee for the contract award had included two people from WETA's staff and a third from outside the agency.

In relation to Item 11, Mr. Stahnke said that the MV *Bay Breeze*, a 250 passenger mid-sized vessel that operated as part of WETA's Central Bay fleet, was utilized predominantly for the Harbor Bay and South San Francisco services because it was small enough to operate within the space and structural constraints of these terminal areas. He said that with the recently ordered high-capacity vessels helping to address demand on Alameda/Oakland and Vallejo services, it was staff's recommendation that the retiring vessel's replacement be sized to continue to support these two services with a passenger capacity of approximately 320 to meet the ridership demand of the Harbor Bay service.

Mr. Stahnke said the construction procurement process would use a Best Value approach consistent with prior solicitations, with 60 percent of the proposal evaluation score to be based on the technical approach to the vessel and 40 percent evaluation to be based on price. He noted that this construction RFP would 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 funding is made available in the coming year. Ms. Rannells noted that because of the extensive lead time involved in vessel construction staff felt it was prudent to include the second vessel option.

Chair Wunderman asked if there was any possibility for WETA to procure a replacement vessel with greener technology than diesel. Mr. Stahnke said he had been robustly investigating this objective over the last few years and at this time, the new technologies such as electric and hybrid electric had not yet evolved to be able to support WETA's high speed, long route requirements. He said staff continued to explore steps to get to greener vessels but unfortunately, the industry had not yet been able to accommodate those requirements. Mr. Stahnke explained that when the technology did evolve, it was staff's hope that WETA would be able to convert its *Gemini* class vessels to full electric.

He added that newer, shorter routes, such as Mission Bay and Treasure Island, would provide opportunities to utilize greener vessels because they could meet the expected service requirements for those shorter routes. Mr. Stahnke clarified that currently, there were no electric, long distance, high speed ferries in existence. He added that the current hybrid electric technology was not suited to ferry operations because it operated best under conditions of very low power, for long periods of time, and was well suited to applications such as research and fishing expeditions. Mr. Stahnke said he remained optimistic that the technology would advance and noted that he was closely watching a recent development in Europe of plans to build a high-speed electric vessel.

Ms. Rannells reminded the Board that WETA had applied for state funding to build a green vessel for the future Treasure Island service. She said, if granted, this funding would provide WETA with an opening into the greener technology arena.

PUBLIC COMMENT

Founder and Chief Executive Officer of HOVR California Felix Sargent noted that Red & White Ferry was currently using renewable diesel in their vessels and asked why WETA was not doing the same to reduce its carbon emissions by up to half.

Mr. Stahnke said there were a number of limitations to WETA using renewable diesel in its vessels including reliable availability and engine manufacturer prohibition. He explained that utilization of renewable diesel in WETA's vessels at this time would violate its new engine warranties. He said staff continued to work with the manufacturers on this issue. Mr. Stahnke said another limitation was cost, and he noted that the price for renewable diesel was currently considerably more expensive than standard diesel fuel. He added that very little research had been done thus far on the renewable fuel use to confirm actual performance results and emissions reductions in newer engines.

Mr. Stahnke reminded the Board that engines in WETA's fleet of ferries were currently the newest, and most modern in the United States, and WETA was the only operator in the country running Tier 4 engines. He noted that those WETA vessels without Tier 4 engines had selective catalytic reduction (SCR) systems to adapt them to Tier 4 equivalent engines. Mr. Stahnke said that current data did not indicate substantial emissions reductions with use of renewable diesel in new engines as it did in older engines.

PUBLIC COMMENT

Mr. Bridgman asked Mr. Stahnke if he was familiar with the Golden Gate Zero Emissions project to build a hydrogen fuel cell ferry. Mr. Stahnke said he was, and that he had seen the vessel the day before. He said the vessel remained at the shipyard, with construction stalled, and he did not have any details about why. Mr. Bridgman asked if WETA had investigated hydrogen fuel cell ferries for its own fleet, and Mr. Stahnke said yes, and that every fuel option had its own set of challenges. Mr. Stahnke further noted that he believed the plan for the operation of the hydrogen fuel cell vessel was to fuel by truck deliveries at the Port of Oakland.

Chair Wunderman said reducing emissions was an important objective, but that WETA needed to avoid diving into a high-risk new technology. He said he was hopeful that the technology would be evolved by the time WETA needed to purchase another vessel so that the public would only have to assume a moderate risk with WETA's first forays into these greener pastures.

At the conclusion of the presentation, Director Intintoli made a motion to approve the contract award to Aurora Marine Design for construction management services for the MV *Bay Breeze* Replacement Project.

Director DelBono seconded the motion and the item passed unanimously.

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

11. AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS FOR MV BAY BREEZE REPLACEMENT VESSEL CONSTRUCTION

Item 11 was presented in coordination with Item 10, as noted above.

At the conclusion of the presentation, Director Intintoli made a motion to authorize staff to release a Request for Proposals for the MV *Bay Breeze* replacement vessel construction.

Director DelBono seconded the motion and the item passed unanimously.

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

12. AUTHORIZE STAFF TO SEEK PUBLIC INPUT ON A DRAFT FY2020/21-2024/25 FARE PROGRAM

Senior Planner/Project Manager Mike Gougherty presented this Item recommending that the Board authorize staff to seek public input on a Draft FY2020/21-2024/25 Fare Program. He said the proposed program would supersede the current program which had been approved by the Board in 2015 and would extend through June of 2020. Mr. Gougherty explained that the program Directors approved in 2015 had been the result of taking three existing routes and a fourth newer route, each of which had entirely different fare structures, and normalizing the various fare structures into one internally consistent fare structure. He said staff had worked over the last five years to achieve consistent discount rates as well.

Mr. Gougherty said another objective of the fare program had been to increase fares in small, incremental doses over longer periods of time to prevent major fare changes that would be disruptive to both the public and the WETA system. He explained that this approach had been very successful over the last five years and the coming program looked to continue that same framework.

Mr. Gougherty reviewed the following highlights of the proposed new fare program:

- The continued practice of small incremental, annual fare increases
- Transition to the Clipper Card as the preferred discount instrument for frequent riders in Vallejo
- Inclusion of special event fares in the annual fare increase program
- Inclusion of fares for the new Seaplane Lagoon service expected to begin later this year

Mr. Gougherty said this Item was to request the Board's approval to release the draft program details to the public to solicit and gather public input on the proposed program. He emphasized the importance of this process to connect with WETA's riders and learn about the potential ways these changes might impact them.

Mr. Gougherty introduced WETA Transportation Planner Arthi Krubanandh who worked on the new program draft and was spearheading the public feedback process, and Ms. Krubanandh provided Directors with an overview of the key outreach objectives of the new program. She said the outreach methods would include open house style public workshops in each of the communities WETA serves, informational flyers posted at the terminals and on all vessels, video screen messaging on vessels, and posts on WETA's website. She said riders would be able to share their comments using mail, email, and phone calls.

Ms. Krubanandh said public comments would be collected throughout the months of February and March, with staff expected to return to the Board at the April meeting to request adoption of the program.

It was agreed that the timing of the public open house workshops would need to support rider attendance outside of standard working hours. Director Intintoli said it would also be important to Vallejo riders to not begin the meetings too late in the evenings and for WETA to emphasize the benefits to riders who will *replace* their monthly passes with Clipper Cards.

Director DelBono said he would like to see more promotion of WETA's online ticketing option, Hopthru. Public Information and Marketing Manager Thomas Hall said that because there was no financial incentive for WETA's riders to purchase their tickets with Hopthru, some riders preferred to purchase their tickets onboard, or at the ticket office, versus downloading the app and sharing credit card information online. He added that promotions and education about the online option were ongoing efforts, and he added that it greatly benefits WETA crews to have tickets purchased online instead of onboard during trips.

Chair Wunderman said effective outreach should include rider contact information collection and management.

PUBLIC COMMENTS

Bay Crossings publisher Joel Williams asked how much more Vallejo riders would have to pay with the elimination of the monthly pass. Mr. Gougherty said that the break-even point for the monthly pass was estimated to be 38 trips a month.

Renata Kiefer inquired as to how she could get Clipper cards for a large group. Mr. Williams said ordering the cards in advance through the Bay Crossings store in the Ferry Building would be no problem at all, and he offered his contact information to Ms. Kiefer to facilitate this transaction.

Director DelBono made a motion to approve the item.

Director Intintoli seconded the motion and the item passed unanimously.

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

13. SPECIAL EVENT SERVICE PLAN FOR 2020

Mr. Stahnke presented this informational Item that provided Directors a window into the current status of WETA's special event service along with staff recommendations for the service in WETA's new fiscal year. He said that WETA would continue to offer service to planned concerts at the Chase Center and to Golden State Warriors games. Mr. Stahnke noted that unless ridership increased considerably to the concerts that staff would plan to work to discontinue the special event concert service component in July 2020.

Mr. Stahnke said to most efficiently utilize crews and vessels, and to minimize docking conflicts encountered at Main Street Alameda as a result of earlier Giants game start times, staff recommended running return-only service from Oracle Park to Alameda/Oakland for weeknight games Monday through Thursday. He said that WETA provided 6 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 could utilize to travel to downtown San Francisco to attend weekday evening games. Mr. Stahnke noted that this service approach was consistent with weekday evening service offered for Vallejo-Oracle Park

Giants service, and that 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.

Director DeBono said he hoped staff would partner with the Chase Center to promote special event concert service before discontinuing it this summer due to low ridership. Mr. Hall said the Chase Center included prominent promotions of the ferry service with all tickets sold. He explained that the challenge with the special event service, unlike the sports services, was that the events were not repeat performances with the same fans as sports events were. Mr. Hall added that staff continued to seek creative marketing opportunities for promotions of the service including Facebook and Instagram advertising.

Ms. Rannells noted that WETA's policy for the special event services was to break even and recover costs to provide the service. Mr. Hall said that once the Mission Bay Ferry service was up and running, with a permanent facility right across the street from the Chase Center, he expected special event ridership to increase.

14. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No further public comments were shared.

With all business concluded Chair Wunderman thanked meeting guests, said the next Board meeting would be held on March 12, and that WETA would be advertising the March workshop. He adjourned the meeting at 3:11 p.m.

- Board Secretary

END