

**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, March 12, 2020 at 1:00 p.m.  
Port of San Francisco  
Pier 1  
San Francisco, CA**

**PLEASE NOTE:  
START TIME at 1:00 p.m.**

*The full agenda packet is available for download at [weta.sanfranciscobayferry.com](http://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 – February 13, 2020
  - b. Authorize Submission of an Allocation Request to the California Department of Transportation for FY 2019/20 Low Carbon Transit Operations Program Grant Funds
7. AUTHORIZE ACTIONS ASSOCIATED WITH REPLACING THE MV SOLANO *Action*
8. APPROVE ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY AND PORT OF REDWOOD CITY FOR THE FEASIBILITY AND BUSINESS PLAN PHASES OF THE REDWOOD CITY FERRY TERMINAL PROJECT *Action*

**Water Emergency Transportation Authority  
March 12, 2020 Meeting of the Board of Directors**

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| 9. <u>SPONSOR AND SUPPORT CALIFORNIA ASSEMBLY BILL 2995<br/>CLARIFYING WETA'S AUTHORITY RELATED TO FERRY<br/>TRANSPORTATION SERVICES IN THE BAY AREA</u> | <b>Action</b>      |
| 10. <u>STATUS REPORT ON WETA HOVERCRAFT FEASIBILITY STUDY</u>  | <b>Information</b> |
| 11. <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](mailto:contactus@watertransit.org); or by telephone: (415) 291-3377.

## MEMORANDUM

TO: WETA Board Members

FROM: Nina Rannells, Executive Director

DATE: March 12, 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 waterjet 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. Construction and sea trials are complete for the third vessel MV *Lyra*, and pending an open weather window, the vessel is scheduled to arrive in the Bay Area in early March 2020.

#### **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. Hull plating and welding is complete, 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 July/August 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 this month. The newly refurbished gangway and float for Gate E was completed and reinstalled in February, and Richmond service was transitioned from Gate F to Gate E on February 18. WETA and the Port of San Francisco will host 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 at the time to cost approximately \$40 million, in order to fully fund project construction. The Board received presentations from WETA and Port staff in June 2019 and January 2020. The Board authorized the Executive Director to enter into a MOU and a resolution for a Letter of No Prejudice (LONP) at the February 2020 Board meeting. The next steps for the project require adoption of the MOU by the San Francisco Port Commission and authorization of a LONP by the Metropolitan Transportation Commission (MTC). Construction is expected to begin in late spring/early summer 2020. The facility is expected to open in early 2022.

#### **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 of Alameda (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 (APP) - 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. APP has begun construction on the overall Site A project and a groundbreaking for construction of the new Seaplane Lagoon Ferry 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 outreach plan to support the new Seaplane Lagoon service and related changes to the Alameda/Oakland estuary services. The outreach campaign branded "Seaplane Shift," is underway and will ramp up as we approach the start date. Marketing to potential new Alameda and Oakland passengers will begin in the late spring/early summer.

### **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 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 summer 2020. Concurrent with this activity, Redwood City, the Port and WETA staff have developed a project MOU for Board consideration at the March 2020 meeting. The proposed MOU 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. The first public meeting on March 28, 2020 will focus on the structural assessment report of the existing pier and gather public feedback on the waterside concepts.

### **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. The initial task for the consultant team is to review 2011 WETA Hovercraft Feasibility Study and update areas such as technology, environmental performance and costs. Those results will be delivered in March 2020. WETA staff and consultants hosted Technical Advisory and Stakeholder Advocacy Workshops on February 26, 2020 to give local jurisdictions and interested stakeholders a chance to provide feedback to the study team and give input on the direction of the study. WETA staff will present an overview of the initial work at the March 12 meeting.

### **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 was 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. Outreach efforts are currently occurring through a series of open house meetings in WETA's service area, along with online information sharing and receipt of customer feedback. To date, we have received a number of comments against the proposal to replace the Vallejo pass with the Clipper card discount. Staff is working to identify and analyze options that may be considered by the Board as part of the final program consideration in April that address the concerns expressed by the Vallejo riders.

### **Short Range Transit Plan**

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 April 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 tabletop 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 currently being developed by the planning group that includes the Bay Area Urban Area Security Initiative (UASI), Golden Gate Ferry, USCG and WETA. Bay Ferry V is scheduled for November 2020.

Staff is attending planning meetings for the first annual Golden Eagle 2020 exercise. This exercise replaces Urban Shield's Yellow Command exercise, since the Urban Shield exercise series is no longer being funded in the region. The Golden Eagle 2020 functional exercise is a regional Emergency Operations Center functional exercise that will evaluate the region's ability to implement, operate and coordinate critical transportation/evacuation operations in response to a catastrophic incident. WETA will be participating in this exercise that takes place on September 17.

## **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 February 25 meeting discussed the design and features for the mobile device that is being developed by Cubic and mainly focused on use cases. San Francisco Bay Ferry anticipates use of the new CID Validator primarily at Pier 41 where there is no permanently installed Clipper reader and other terminals as necessary in an effort to minimize use of the current handheld Clipper device (HCR4). The new C2 validator system is anticipated to go live in September 2022.

### **High Wind Weather Event and Power Outage**

The high wind weather event on Sunday February 9 caused impacts to WETA service including the cancelation of all ferry services out of Pier 41. Winds continued to be monitored throughout the morning, and service to and from the ferry building continued until midday when wind conditions proved unsafe for ferry landings. Bus service was provided, and at each terminal, Guest Assistants announced bus service in place of ferries for the 3:40 p.m., 4:15 p.m. and 7:00 p.m. departures from the Ferry Building, as well as the 6:40 p.m. departure from Pier 41 to Alameda and Oakland. The 10:00 a.m. Vallejo departure to San Francisco and the 11:30 a.m. departure from San Francisco to Vallejo were completed by ferry, and the remainder of service was completed by buses.

Crewmembers rode the buses with customers to ensure each terminal had sufficient staff to circulate the announcement of bus service. Bay Alerts were issued, and social media feeds were posted on the San Francisco Bay Ferry website. The high winds also caused a power outage at the Vallejo Ticket Office around noon. The ticket office was closed for the remainder of the day, and staff assisted with customer relations and Clipper tagging with handheld readers. All services resumed to full operational status on Monday, February 10.

**Monthly Operating Statistics** - The Monthly Operating Statistics Report for January 2020 is provided as ***Attachment A***.

## **KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH**

On February 19, Nina Rannells attended the quarterly meeting of the Bay Planning Coalition.

On February 24, Nina Rannells attended the Regional Fare Integration Task Force meeting held in Oakland.



On February 24, Nina Rannells attended the Clipper Executive Board meeting held in Oakland.

On February 24, Program Manager/Analyst Lauren Gularte met with staff from Solano County Office of Emergency Services to brief them on WETA's Emergency Response Plan and coordinate planning and exercise activities.

On February 25, Nina Rannells attended a ferry celebration commemorating the 20<sup>th</sup> Anniversary of Bay Crossings and honoring Jim Wunderman as the newly appointed Chair of WETA.

On February 25, staff hosted an open house event in Vallejo to provide information and solicit public comments concerning WETA's proposed multi-year fare program.

On February 26, Public Information & Marketing Manager Thomas Hall participated in the monthly meeting of the Visit Vallejo Board of Directors. The impacts of coronavirus on the tourism and hospitality industries was discussed.

On February 26, staff hosted an open house event in Oakland to provide information and solicit public comments concerning WETA's proposed multi-year fare program.

On February 27, staff hosted an open house event in Richmond to provide information and solicit public comments concerning WETA's proposed multi-year fare program.

On February 29, Thomas Hall hosted a table at the grand opening celebration of the Cross Alameda Trail in Alameda. He spoke to attendees about Seaplane Shift and improving bicycle access to ferry terminals.

On March 3, staff hosted an open house event in Alameda to provide information and solicit public comments concerning WETA's proposed multi-year fare program.

On March 3, Nina Rannells participated in the Small Operator's Meeting, hosted by the Contra Costa County Transportation Authority, to discuss emerging issues in Bay Area transportation.

On March 3, Transportation Planner Taylor Rutsch attended MTC's Regional Signage and Wayfinding Listening Tour to discuss regional initiatives to provide seamless and integrated signage and wayfinding across the Bay Area.

On March 4, staff hosted an open house event in San Francisco to provide information and solicit public comments concerning WETA's proposed multi-year fare program.

On March 5, Thomas Hall participated on a transportation panel on Mare Island that was hosted by the City of Vallejo and the Municipal Management Association of Northern California.

On March 5, Nina Rannells and Planning & Development Manager Kevin Connolly met with City of Berkeley staff and Berkeley Mayor Jesse Arreguin regarding upcoming public outreach meetings for the Berkeley ferry and pier project.

On March 6, Kevin Connolly met with City of Berkeley staff and Berkeley Parks Commissioner Jim McGrath regarding the Berkeley ferry and pier project.

## **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 be held on Thursday, March 12 and the July meeting will 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.

### **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 LONP, 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 California Public Utilities Commission 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, Berkeley, Emeryville 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, prearranged 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 unscheduled, prearranged 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 the further definition 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 California Environmental Quality Act (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 CPUC held a pre-hearing conference on February 4 to determine whether a hearing will be necessary and, if so, on what issues. On March 2, the CPUC Commissioner assigned to this case issued a scoping memo that specified several issues for further briefing, which include 1) the impacts of the proposed service on public ferry services; 2) whether the CPUC should impose conditions on the service and 3) whether further CEQA review is necessary. WETA will have the opportunity to submit further briefing on these issues by March 20, respond to any further briefing submitted by Prop SF and comment on the proposed 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 January 2020

			Alameda/ Oakland	Harbor Bay *	Richmond	South San Francisco	Vallejo	Systemwide
Boardings	vs. last month	Total Passengers January 2019	97,256	30,398	17,731	12,914	81,171	239,470
		Total Passengers December 2019	90,402	23,691	13,320	9,292	76,696	213,401
		Percent change	7.58%	28.31%	33.12%	38.98%	5.83%	12.22%
	vs. same month last year	Total Passengers January 2019	97,256	30,398	17,731	12,914	81,171	239,470
		Total Passengers January 2018	90,321	30,272	10,167	12,084	74,785	217,629
		Percent change	7.68%	0.42%	74.40%	6.87%	8.54%	10.04%
	vs. prior FY to date	Total Passengers Current FY To Date	865,853	206,995	133,466	86,575	659,253	1,952,142
		Total Passengers Last FY To Date	827,741	204,009	10,167	82,446	636,210	1,760,573
		Percent change	4.60%	1.46%	1212.74%	5.01%	3.62%	10.88%
		Avg Weekday Ridership January 2019	3,806	1,382	806	587	3,370	9,951
Ops Stats		Passengers Per Hour January 2019	151	163	92	132	116	132
		Revenue Hours January 2019	645	186	193	98	697	1,819
		Revenue Miles January 2019	7,468	3,199	2,772	1,792	19,163	34,395
		Farebox Recovery Year-To-Date	64%	44%	31%	37%	63%	57%
		Cost per Available Seat Mile - January 2019	\$0.40	\$0.31	\$0.38	\$0.64	\$0.18	\$0.28
		Average peak hour utilization, AM - January 2019	47%	56%	38%	44%	69%	57%
		Average peak hour utilization, PM - January 2019	70%	64%	47%	58%	63%	60%
Fuel		Fuel Used (gallons) - January 2019	57,136	15,433	13,491	11,492	157,593	255,144
		Avg Cost per gallon - January 2019	\$2.47	\$2.47	\$2.47	\$2.47	\$2.43	\$2.45

**MEMORANDUM**

**TO: Board Members**

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

**SUBJECT: Monthly Review of FY 2019/20 Financial Statements for Seven Months  
Ending January 31, 2020**

**Recommendation**

There is no recommendation associated with this informational item.

**Summary**

This report provides the attached FY 2019/20 Financial Statements for seven months ending January 31, 2020.

**Operating Budget vs. Actual**

	Prior Actual	Current Budget	Current Actual
<b>Revenues - Year To Date:</b>			
Fare Revenues	\$12,860,387	\$14,303,332	\$14,355,923
Bridge Toll Revenues	10,429,226	12,916,342	10,386,272
Contra Costa Measure J	220,845	1,929,783	1,680,000
Other Revenues	6,750	426,650	24,504
<b>Total Operating Revenues</b>	<b>\$23,517,208</b>	<b>\$29,576,108</b>	<b>\$26,446,699</b>
<b>Expenses - Year To Date:</b>			
Planning & Administration	\$1,294,322	\$1,750,000	\$1,255,962
Ferry Services	22,222,886	27,826,108	25,190,737
<b>Total Operations Expenses</b>	<b>\$23,517,208</b>	<b>\$29,576,108</b>	<b>\$26,446,699</b>
<b>System-Wide Farebox Recovery %</b>	<b>58%</b>	<b>51%</b>	<b>57%</b>

**Capital Actual and % of Total Budget**

	YTD Actual	% of FY 2019/20 Budget
<b>Revenues:</b>		
Federal Funds	\$13,589,204	
State Funds	14,702,053	
Bridge Toll Revenues	4,298,391	
Other Revenues	663,181	
<b>Total Capital Revenues</b>	<b>\$33,252,828</b>	<b>44.45%</b>
<b>Expenses:</b>		
<b>Total Capital Expenses</b>	<b>\$33,252,828</b>	<b>44.45%</b>

**Fiscal Impact**

There is no fiscal impact associated with this informational item.

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**San Francisco Bay Area Water Emergency Transportation Authority**  
**FY 2019/20 Statement of Revenues and Expenses**  
**For Seven Months Ending 1/31/2020**

% of Year Elapsed 58%

		Year - To - Date			Total	% of
	Jan-20	FY2018/19	FY2019/20	FY2019/20	FY2019/20	Total
	Actual	Actual	Budget	Actual	Budget	Budget
<b>OPERATING EXPENSES</b>						
<b><u>PLANNING &amp; GENERAL ADMIN:</u></b>						
Wages and Fringe Benefits	\$187,495	\$726,687	\$880,192	\$933,840	\$1,508,900	61.9%
Services	68,501	555,390	1,031,858	624,090	1,768,900	35.3%
Materials and Supplies	747	35,466	36,400	4,425	62,400	7.1%
Utilities	2,737	25,710	30,042	25,161	51,500	48.9%
Insurance	-	1,200	16,683	1,046	28,600	3.7%
Miscellaneous	1,725	153,166	63,933	37,961	109,600	34.6%
Leases and Rentals	33,089	222,274	224,700	227,015	385,200	58.9%
Admin Overhead Expense Transfer	(105,256)	(425,572)	(533,808)	(597,578)	(915,100)	65.3%
<b>Sub-Total Planning &amp; Gen Admin</b>	<b>\$189,037</b>	<b>\$1,294,322</b>	<b>\$1,750,000</b>	<b>\$1,255,962</b>	<b>\$3,000,000</b>	<b>41.9%</b>
<b><u>FERRY OPERATIONS:</u></b>						
<b><u>Harbor Bay FerryService (AHBF)</u></b>						
Purchased Transportation	\$232,235	\$1,550,738	\$1,475,775	\$1,414,615	\$2,529,900	55.9%
Fuel - Diesel & Urea	38,222	275,129	324,625	326,773	556,500	58.7%
Other Direct Operating Expenses	49,685	322,466	460,250	306,481	789,000	38.8%
Admin Overhead Expense Transfer	11,688	52,235	58,858	65,856	100,900	65.3%
<b>Total Harbor Bay</b>	<b>\$331,830</b>	<b>\$2,200,568</b>	<b>\$2,319,508</b>	<b>\$2,113,724</b>	<b>\$3,976,300</b>	<b>53.2%</b>
<b>Farebox Recovery - AHBF</b>	<b>40%</b>	<b>45%</b>	<b>45%</b>	<b>44%</b>	<b>45%</b>	
<b><u>Alameda/Oakland Ferry Service (AOFS)</u></b>						
Purchased Transportation	\$818,516	\$5,290,521	\$5,593,292	\$5,328,745	\$9,588,500	55.6%
Fuel - Diesel & Urea	141,260	1,049,748	1,258,950	1,206,092	2,158,200	55.9%
Other Direct Operating Expenses	173,536	1,102,366	1,610,058	1,114,205	2,760,100	40.4%
Admin Overhead Expense Transfer	46,906	187,548	238,933	267,535	409,600	65.3%
<b>Total Alameda/Oakland</b>	<b>\$1,180,218</b>	<b>\$7,630,182</b>	<b>\$8,701,233</b>	<b>\$7,916,577</b>	<b>\$14,916,400</b>	<b>53.1%</b>
<b>Farebox Recovery - AOFS</b>	<b>53%</b>	<b>61%</b>	<b>57%</b>	<b>64%</b>	<b>57%</b>	
<b><u>Vallejo FerryService (Vallejo)</u></b>						
Purchased Transportation	\$914,257	\$6,205,700	\$6,922,883	\$6,553,623	\$11,867,800	55.2%
Fuel - Diesel & Urea	362,294	2,914,512	3,694,017	3,088,973	6,332,600	48.8%
Other Direct Operating Expenses	206,550	864,994	1,432,900	1,112,399	2,456,400	45.3%
Admin Overhead Expense Transfer	35,592	156,738	180,367	202,057	309,200	65.3%
<b>Total Vallejo</b>	<b>\$1,518,692</b>	<b>\$10,141,944</b>	<b>\$12,230,167</b>	<b>\$10,957,053</b>	<b>\$20,966,000</b>	<b>52.3%</b>
<b>Farebox Recovery - Vallejo</b>	<b>61%</b>	<b>65%</b>	<b>57%</b>	<b>63%</b>	<b>57%</b>	
<b><u>South San Francisco FerryService (SSF)</u></b>						
Purchased Transportation	\$182,961	\$1,463,745	\$1,403,442	\$1,261,903	\$2,405,900	52.5%
Fuel - Diesel & Urea	28,640	207,891	260,925	240,509	447,300	53.8%
Other Direct Operating Expenses	41,347	262,603	289,158	243,105	495,700	49.0%
Admin Overhead Expense Transfer	5,386	26,710	25,492	29,037	43,700	66.4%
<b>Total South San Francisco</b>	<b>\$258,334</b>	<b>\$1,960,948</b>	<b>\$1,979,017</b>	<b>\$1,774,554</b>	<b>\$3,392,600</b>	<b>52.3%</b>
<b>Farebox Recovery - SSF</b>	<b>34%</b>	<b>31%</b>	<b>35%</b>	<b>37%</b>	<b>35%</b>	
<b><u>Richmond FerryService (Richmond)</u></b>						
Purchased Transportation	\$252,239	\$227,191	\$1,988,467	\$1,842,565	\$3,408,800	54.1%
Fuel - Diesel & Urea	33,388	20,829	322,233	285,699	552,400	51.7%
Other Direct Operating Expenses	54,562	38,882	255,325	267,472	437,700	61.1%
Admin Overhead Expense Transfer	5,684	2,341	30,158	33,093	51,700	64.0%
<b>Total Richmond</b>	<b>\$345,872</b>	<b>\$289,244</b>	<b>\$2,596,183</b>	<b>\$2,428,828</b>	<b>\$4,450,600</b>	<b>54.6%</b>
<b>Farebox Recovery - Richmond</b>	<b>27%</b>	<b>24%</b>	<b>26%</b>	<b>31%</b>	<b>26%</b>	
<b>Sub-Total Ferry Operations</b>	<b>\$3,634,946</b>	<b>\$22,222,886</b>	<b>\$27,826,108</b>	<b>\$25,190,737</b>	<b>\$47,701,900</b>	<b>52.8%</b>
<b>Farebox Recovery - Systemwide</b>	<b>51%</b>	<b>58%</b>	<b>51%</b>	<b>57%</b>	<b>51%</b>	
<b>Total Operating Expenses</b>	<b>\$3,823,984</b>	<b>\$23,517,208</b>	<b>\$29,576,108</b>	<b>\$26,446,699</b>	<b>\$50,701,900</b>	<b>52.2%</b>
<b>OPERATING REVENUES</b>						
Fare Revenue	\$1,863,244	\$12,860,387	\$14,303,332	\$14,355,923	\$24,520,000	58.5%
Regional - Bridge Toll	1,707,365	10,429,226	12,916,342	10,386,272	22,142,300	46.9%
Regional - Contra Costa Measure J	251,471	220,845	1,929,783	1,680,000	3,308,200	50.8%
Regional - Alameda Tax & Assessment	-	-	424,667	-	728,000	0.0%
Other Revenue	1,904	6,750	1,983	24,504	3,400	0.0%
<b>Total Operating Revenues</b>	<b>\$3,823,984</b>	<b>\$23,517,208</b>	<b>\$29,576,108</b>	<b>\$26,446,699</b>	<b>\$50,701,900</b>	<b>52.2%</b>

**San Francisco Bay Area Water Emergency Transportation Authority**  
**FY 2019/20 Statement of Revenues and Expenses**  
**For Seven Months Ending 1/31/2020**

Project Description	Jan-20 Total	Total Project Budget	Total Prior Expense	Total FY2019/20 Budget	Total FY2019/20 Expense	Total Future Year	% of Total Project Budget Spent
<b>CAPITAL EXPENSES:</b>							
<b><u>FACILITIES:</u></b>							
<b>Terminal Construction</b>							
Downtown Ferry Terminal Expansion - South Basin	\$3,744,700	\$97,965,000	\$78,915,751	\$19,049,249	\$15,397,802	\$0	96%
<b>Maintenance and Operations Facilities</b>							
Ron Cowan Central Bay Operations & Maintenance Facility	115,634	69,500,000	63,197,399	6,302,601	994,622	-	92%
<b>Terminal Improvement</b>							
Install Mooring Piles - Harbor Bay Terminal	121	251,500	-	251,500	707	-	0%
Terminal Signage and Wayfinding - East Bay Terminals	-	135,000	-	135,000	-	-	0%
<b><u>FERRY VESSELS:</u></b>							
<b>Vessel Construction</b>							
445-Pax Expansion (Waterjet) Vessels - 2 vessels	1,092,468	46,745,000	28,771,355	17,973,645	10,489,396	-	84%
400-Pax Expansion (Propeller) Vessels - 2 vessels	-	33,400,000	32,943,928	456,072	-	-	99%
New Commuter Class High-Speed Vessels - 2 vessels	13,569	30,082,500	7,421,609	7,878,391	2,986,105	14,782,500	35%
Vessel Replacement - M/V Bay Breeze	11,303	18,000,000	-	6,000,000	16,034	12,000,000	0%
<b>Vessel Rehabilitation and Refurbishment</b>							
Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island	458,883	3,000,000	877,961	2,122,039	895,851	-	59%
Vessel Qtr-Life Refurbishment - M/V Scorpio	854,708	3,005,350	70,062	2,935,288	2,019,461	-	70%
Vessel Engine Overhaul - M/V Taurus	165,018	800,000	198,928	601,072	251,295	-	56%
Vessel Service Life Extension - M/V Solano	364	13,000,000	145,099	10,000,901	24,935	2,854,000	1%
Vessel Engine Overhaul - M/V Argo and M/V Carina	-	240,000	-	240,000	59,428	-	25%
Vessel Engine Overhaul - M/V Gemini	303	515,350	-	515,350	117,193	-	23%
Vessel Engine Overhaul - M/V Pyxis	-	170,000	-	170,000	-	-	0%
<b><u>CAPITAL EQUIPMENT / OTHER:</u></b>							
Purchase Service Vehicles	-	185,000	-	185,000	-	-	0%
<b>Total Capital Expenses</b>	<b>\$6,457,073</b>	<b>\$316,994,700</b>	<b>\$212,542,090</b>	<b>\$74,816,110</b>	<b>\$33,252,828</b>	<b>\$29,636,500</b>	
<b>CAPITAL REVENUES:</b>							
Federal Funds	\$2,046,465	\$67,437,543	\$22,485,494	\$33,068,849	\$13,589,204	\$11,883,200	53%
State Funds	3,671,377	195,740,242	151,568,893	31,375,649	14,702,053	12,795,700	85%
Regional - Bridge Toll	345,908	46,896,968	37,593,689	8,732,479	4,298,391	570,800	89%
Regional - Alameda Sales Tax Measure B / BB	173,201	2,204,397	14,014	1,032,633	407,096	1,157,750	19%
Regional - Alameda TIF / LLAD / HBBPA	121	386,500	-	386,500	707	-	0%
Regional - San Francisco Sales Tax Prop K	220,000	1,100,000	880,000	220,000	255,378	-	103%
Other - Sales Proceeds	-	3,229,050	-	-	-	3,229,050	0%
<b>Total Capital Revenues</b>	<b>\$6,457,073</b>	<b>\$316,994,700</b>	<b>\$212,542,090</b>	<b>\$74,816,110</b>	<b>\$33,252,828</b>	<b>\$29,636,500</b>	



**TO: WETA Board Members**

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

**SUBJECT: WETA Federal Legislative Board Report – March 2020**

This report covers the following topics:

1. Gaining Support for WETA Grant Application to FTA
2. Continued Advocacy in Advance of New Surface Transportation Bill

**Gaining Support for WETA Grant Application to FTA**

The Federal Transit Administration (FTA) issued a Notice of Funding Opportunity (NOFA) for \$30 million in FY2020 competitive grant funding for public ferry systems. Like last year, WETA plans to submit an application to the FTA for \$4,456,000 to refurbish the Alameda Ferry Terminal. We are working to have members of the Bay Area Congressional delegation send letters to FTA supporting WETA's grant application. The following Bay Area members of Congress sent support letters to FTA last year: Senators Dianne Feinstein and Kamala Harris; Speaker Nancy Pelosi; and Representatives Mark DeSaulnier, Anna Eshoo, John Garamendi, Barbara Lee, Zoe Lofgren, Jerry McNerney, Jackie Speier, Eric Swalwell and Mike Thompson.

**Continued Advocacy in Advance of New Surface Transportation Bill**

Based on our discussions last month with House Transportation and Infrastructure (T&I) Committee Chairman Peter DeFazio and meetings with Committee staff, we continue to expect the T&I Committee to take up a new surface transportation bill in the spring. This bill would replace the FAST Act, which currently provides funding for highways, bridges and transit programs, including the Federal Highway Administration (FHWA) ferry formula program and the Federal Transit Administration (FTA) discretionary grant program. The FAST Act expires on September 30, 2020.

In the weeks ahead, we will continue to advocate on behalf of WETA 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. In addition to our own meetings with T&I Committee members and staff and Bay Area Congressional delegation members and staff, we will encourage other public ferry stakeholders to continue their own advocacy, including Golden Gate Ferry, as well as other members of the Public Ferry Coalition which includes 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.

As previously reported, the T&I Committee maintains authority over highway, bridge and transit programs and runs and controls the level of funding for these programs, but the House Ways and Means Committee determines *how* these programs will be paid for. Until the Ways and Means Committee can come up with a "pay-for", no surface transportation legislation that comes out of the T&I Committee can be signed into law. While Ways and Means Committee members (along with Finance Committee members in the Senate) continue to debate various

financing options, to date, there is no agreement on how to pay for transportation infrastructure beyond September.

Note that three members of the Bay Area Congressional delegation are members of the T&I Committee, including Reps Jared Huffman, John Garamendi and Mark DeSaulnier. Rep Mike Thompson is a member of the Ways and Means Committee.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger

**TO:** WETA Board of Directors

**FROM:** Nossaman LLP - Nate Solov  
Jennifer M. Capitolo & Associates – Jennifer Capitolo

**DATE:** March 3, 2020

**RE:** March 2020 - Legislative Update

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**February 21, 2020 Legislative Bill Introduction Deadline**

Over 1,000 new bills were introduced for 2020 by the February 21 legislative deadline. We have identified 70 bills that may be relevant to WETA and we are in the process of analyzing these measures with WETA staff. Many of these bills are spot bills and content must be inserted by March 18.

Senate and Assembly policy committees will begin to review legislation the week of March 9 and continue through April 24.

**2020 Legislative Watch**

Bills impacting WETA that have been introduced so far:

AB 1350 (Gonzalez Fletcher) 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. WETA should begin to analyze costs to implement this measure.

AB 2012 (Chu) 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. Again, WETA should begin to analyze costs to implement this measure.

AB 2057 (Chiu) is a spot bill which will be amended to include a proposal by Seamless Bay Area to require public transit systems to work together to integrate transit schedules.

AB 2176 (Holden) would require transit agencies to offer free student transit passes to persons attending the California Community Colleges, the California State University or the University of California in order to be eligible for state funding under the Mills-Alquist-Deddeh Act, the State Transit Assistance Program or the Low Carbon Transit Operations Program. WETA should begin to analyze costs to implement this measure.

SB 883 (Monning) would conform California's statutory definition of "for-hire vessel" to United States Coast Guard standards in order to address a discrepancy that allows certain for-hire passenger vessel captains with fewer than three passengers to avoid California licensure. Sponsored by the State Sheriff's Association.

**Funding for WETA's Priority Projects**

**Caltrans: Sustainable Communities Transportation Planning Grant**

Title of Project: 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)**

Title of Project: 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

**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 DelBono 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 DelBono seconded the motion and the item passed unanimously.

Yeas: DelBono, 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 DelBono 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\*\*\*

**MEMORANDUM**

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**TO:** Board Members

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

**SUBJECT:** Authorize Submission of an Allocation Request to the California Department of Transportation for FY 2019/20 Low Carbon Transit Operations Program Grant Funds

**Recommendation**

Approve the following actions necessary to secure FY 2019/20 Low Carbon Transit Operations Program funds to support WETA's capital program:

1. Approve submission of the FY 2019/20 LCTOP allocation request for funds, totaling \$485,449, to support the *Vessel Replacement – MV Bay Breeze* project; and
2. Authorize the Executive Director and Finance & Administration Manager to submit and execute all required documents of the LCTOP program with the California Department of Transportation (Caltrans), including the related Certifications and Assurances, Authorized Agent forms and agreements on behalf of WETA.

**Background**

The Low Carbon Transit Operations Program (LCTOP) is one of several programs funded by auction proceeds from the California Air Resource Board's Cap-and-Trade Program. Proceeds are deposited into the Greenhouse Gas Reduction Fund (GGRF) and LCTOP receives a five percent continuous appropriation of the annual auction proceeds. Funding is assigned annually to public transit operators in the State based on the existing State Transit Assistance revenue-based formulas.

The LCTOP provides operating and capital assistance for transit agencies to reduce greenhouse gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities. Per Senate Bill (SB) 824, approved projects are intended to enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit or expanded intermodal transit facilities.

The LCTOP is administered by Caltrans in coordination with the California Air Resource Board (CARB) and the State Controller's Office (SCO). Caltrans is responsible to ensure that the statutory requirements of the program are met in terms of project eligibility, greenhouse reduction, disadvantaged community benefit and other requirements of the law.

**Discussion**

Caltrans has published the FY 2019/20 LCTOP Guidelines and the SCO has released the funding allocation. Staff has reviewed the program criteria, as established by Caltrans, and proposes to use the FY 2019/20 funding allocation of \$485,449 to support the *Vessel*

*Replacement – MV Bay Breeze* project (Project). LCTOP guidelines permit eligible recipients to roll funds over into subsequent fiscal years, accruing a maximum of four years of LCTOP funds for a more substantial project. The full funding plan for the Project includes four years of LCTOP funds and FY 2019/20 is year two of four. Applying the LCTOP funding to a new vessel with Tier 4 engines will meet the LCTOP program requirements by reducing greenhouse gas emissions.

As a condition for the receipt of LCTOP funds, eligible project sponsors must agree to comply with all conditions and requirements set forth in the Certification and Assurances (**Attachment A**), and the Authorized Agent (**Attachment B**) documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

As the lead agency, WETA is required to submit to Caltrans an Allocation Request for the proposed project it intends to fund with the LCTOP allocation in order to receive its apportionment. This allows the State to release funds annually to WETA since apportionments will not be held into the following year and should be treated as use it or lose it.

**Fiscal Impact**

The *Vessel Replacement – MV Bay Breeze* project is included in the FY 2019/20 Capital Budget at a total cost of \$18,000,000. Approval of this item will authorize the use of \$485,449 in FY 2019/20 LCTOP funds to support this project.

\*\*\*END\*\*\*



# Attachment A



## FY 2019-2020 LCTOP Certifications and Assurances

**Lead Agency:** San Francisco Bay Area Water Emergency Transportation Authority

**Project Title:** Replacement Vessel for the M/V Bay Breeze

**Prepared by:** Lynne Yu

The California Department of Transportation (Caltrans) has adopted the following Certifications and Assurances for the Low Carbon Transit Operations Program (LCTOP). As a condition of the receipt of LCTOP funds, Lead Agency must comply with these terms and conditions.

### A. General

1. The Lead Agency agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
2. The Lead Agency must submit to Caltrans a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

### B. Project Administration

1. The Lead Agency certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The Lead Agency assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
2. The Lead Agency certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
3. The Lead Agency certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
4. The Lead Agency certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
5. The Lead Agency certifies that they will notify Caltrans of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
6. The Lead Agency must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
7. Any interest the Lead Agency earns on LCTOP funds must be used only on approved LCTOP projects.
8. The Lead Agency must notify Caltrans of any changes to the approved project with a Corrective Action Plan (CAP).





## FY 2019-2020 LCTOP

9. Under extraordinary circumstances, a Lead Agency may terminate a project prior to completion. In the event the Lead Agency terminates a project prior to completion, the Lead Agency must (1) contact Caltrans in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.

### **C. Reporting**

1. The Lead Agency must submit the following LCTOP reports:
  - a. Semi-Annual Progress Reports by May 15th and November 15th each year.
  - b. A Close Out Report within six months of project completion.
  - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to Caltrans within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
  - d. Project Outcome Reporting as defined by CARB Funding Guidelines.
  - e. Jobs Reporting as defined by CARB Funding Guidelines.
2. Other Reporting Requirements: CARB develops and revises Funding Guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with CARB's Funding Guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

### **D. Cost Principles**

1. The Lead Agency agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. The Lead Agency agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
  - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allow ability of individual project cost items and
  - b. Those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and



## FY 2019-2020 LCTOP

Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

3. Any project cost for which the Lead Agency has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by the Lead Agency to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the Lead Agency to the State. Should the Lead Agency fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the Lead Agency from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

### **A. Record Retention**

1. The Lead Agency agrees and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the Lead Agency, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP) and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the Lead Agency, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the "Project Closeout" report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the Lead Agency, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Lead Agency pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the Lead Agency's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
2. For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the Lead Agency's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited



## FY 2019-2020 LCTOP

to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment.

The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the Lead Agency shall furnish copies thereof if requested.

3. The Lead Agency, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

### F. Special Situations

Caltrans may perform an audit and/or request detailed project information of the project sponsor's LCTOP funded projects at Caltrans' discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

Nina Rannells

*(Print Authorized Agent)*

Executive Director

*(Title)*

March 12, 2020

*(Date)*

*(Signature)*

# Attachment B



**FY 2019-2020 LCTOP**

**Authorized Agent**

***AS THE*      Chair, Board of Directors**

(Chief Executive Officer/Director/President/Secretary)

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

(Name of County/City/Transit Organization)

I hereby authorize the following individual(s) to execute for and on behalf of the named Regional Entity/Transit Operator, any actions necessary for the purpose of obtaining Low Carbon Transit Operations Program (LCTOP) funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. I understand that if there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself. I understand the Board must provide a resolution approving the Authorized Agent. The Board Resolution appointing the Authorized Agent is attached.

**Nina Rannells, Executive Director**

(Name and Title of Authorized Agent)

OR

**Lynne Yu, Finance & Administration Manager**

(Name and Title of Authorized Agent)

OR

**Click here to enter text.**

(Name and Title of Authorized Agent)

OR

**Click here to enter text.**

(Name and Title of Authorized Agent)

OR

**James Wunderman**

(Print Name)

**Board Chair**

(Title)

(Signature)

Approved this 12 day of March, 2020

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2020-07**

**AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FOR THE FOLLOWING PROJECT:  
REPLACEMENT VESSEL FOR THE MV BAY BREEZE - \$485,449**

**WHEREAS**, the San Francisco Bay Area Water Emergency Transportation Authority (WETA) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

**WHEREAS**, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

**WHEREAS**, WETA wishes to delegate authorization to execute these documents and any amendments thereto to Nina Rannells, Executive Director, and Lynne Yu, Finance & Administration Manager; and

**WHEREAS**, WETA wishes to implement the following LCTOP project listed above; now, therefore, be it

**RESOLVED** by the Board of Directors of WETA that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects; and be it further

**RESOLVED** that Nina Rannells, Executive Director, and Lynne Yu, Finance & Administration Manager, be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation; and be it further

**RESOLVED** by the Board of Directors of WETA that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY19-2020 LCTOP funds:

**Project Name:** *Replacement Vessel for the MV Bay Breeze*

**Amount of LCTOP funds requested:** *\$485,449*

**Short description of project:** *Construct a replacement vessel for the MV Bay Breeze*

**Benefit to Priority Populations:** *New EPA Tier 4 engines will be installed on the new vessel, providing a 66% reduction in air emission.*

**Contributing Sponsors (if applicable):** *N/A*

## **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 Board of Directors held on March 12, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2020-07

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

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

**SUBJECT: Authorize Actions Associated with Replacing the MV *Solano***

**Recommendations**

Approve the following actions related to the MV *Solano* replacement project:

1. Authorize staff to solicit proposals for the MV *Solano* replacement as a part of a single, combined solicitation with the MV *Bay Breeze* replacement project previously authorized; and
2. Establish a consolidated project budget for the combined *Vessel Replacement – MV Solano and MV Bay Breeze* project in the amount of \$34,600,000.

**Background**

The MV *Solano*, built for the City of Vallejo by Dakota Creek Industries in 2004, has been in service for 15 years. While the MV *Solano* was built to last 25 years consistent with the Federal Transit Administration's (FTA) Minimum Useful Life Policy for Rolling Stock and Ferries, under California Air Resources Board (CARB) Harbor Craft Regulations, WETA is not allowed to operate this vessel in California beyond December 31, 2019, unless it is retrofitted to include new CARB-compliant Tier 4 engines.

In an effort to meet CARB's requirements, the WETA Board authorized release of a Request for Proposals (RFP) for shipyard services for the MV *Solano* Service Life Extension Project (SLEP) in September 2018. This technically challenging project included extensive hull modifications in order to fit the CARB-compliant engines and machinery package into the vessel. In addition, this project included the rebuild or replacement of major components throughout the vessel and increased the passenger capacity to match the new North Bay *Pyxis* class vessels.

The RFP for the MV *Solano* SLEP was released on April 12, 2019. Staff received two price proposals, and both proposals were far in excess of the available funds for the project. Staff and project engineering consultants analyzed options and scope reductions and determined that there was not a viable project that would deliver a rebuilt vessel to WETA in a financially feasible or timely manner.

In September 2019 the Board approved rejecting all proposals for the MV *Solano* SLEP and authorized staff to sell the MV *Solano* and develop an approach for full replacement with WETA's available grant funds.

### **Discussion**

Since the September 2019 Board action, staff has worked concurrently on three fronts to develop a plan and receive necessary approvals to move forward with the MV *Solano* replacement as described below.

### **Federal Transit Administration Funding and Approvals**

On November 21, 2019, WETA staff met with the FTA Regional Administrator and staff to discuss the federal requirements associated with selling the MV *Solano* and to discuss allowable options for moving forward to procure a replacement vessel. On December 10, 2019, WETA received FTA approval to sell the MV *Solano* and apply the sales proceeds towards the purchase of a replacement vessel, expanding the amount of money available to fund the vessel replacement.

### **Sale of the MV Solano**

Staff developed and utilized a competitive process for selecting a marine brokerage firm with experience in the domestic passenger vessel market to list and sell the MV *Solano*. A contract was awarded to Pinnacle Marine on January 30, 2020. Sales marketing efforts to date have included direct contact with over 40 ferry operators in the United States.

### **New Vessel Procurement**

Staff immediately began assessing alternatives for replacing the vessel, seeking to expedite delivery of a new vessel. Options included leveraging existing vessel procurement contracts and utilizing a new procurement process.

As a first step, staff entered into direct negotiations with Dakota Creek Industries and received a price and delivery schedule for adding a fourth *Pyxis* class vessel to the existing three vessel construction contract. This approach would require a sole source award for this fourth vessel and involve close coordination with FTA and compliance with strict sole source contracting requirements. After extensive discussions and analysis, staff determined that this approach was not feasible as the cost proposal received was not as favorable as anticipated for a fourth vessel of its type, and the timeline for delivery was longer than anticipated. Additionally, the cost of this approach exceeded available grant funds and MV *Solano* sales proceeds anticipated to be available.

At this juncture, staff recommends that the Board authorize staff to solicit proposals for the MV *Solano* replacement as a part of a single, combined solicitation with the MV *Bay Breeze* replacement project. In February 2020 the Board authorized release of a RFP for the replacement of the MV *Bay Breeze*. This replacement vessel is designed to be a 320-passenger multipurpose vessel with the flexibility to provide service on all WETA's routes, including the Vallejo route. The capacity and speed would be the same as the current MV *Solano* specifications, providing a direct match for replacement. The full cost of procuring this vessel is anticipated to be approximately \$17 million which could be fully funded with available grant funds and anticipated sales proceeds from the MV *Solano*. This approach would be approximately \$7.7 million less expensive than pursuing a fourth *Pyxis* class vessel.

If approved, the replacement vessel for the MV *Solano* would be added to the existing MV *Bay Breeze* replacement RFP which is scheduled for release at the end of March 2020 with an award scheduled for mid-summer. Combining these vessels into a single procurement should result in a cost-effective approach to vessel construction and would provide WETA with the operating benefits associated with fleet commonality.



**Fiscal Impact**

With the approval of this item, the *Vessel Replacement – MV Solano and MV Bay Breeze* will be added to the FY2019/20 Capital Budget at a total cost of \$34,600,000. This reflects the consolidation of two projects in the existing Capital Budget, *Vessel Replacement – MV Bay Breeze* and *Vessel Service Life Extension – MV Solano*. The net increase to the FY2019/20 Capital Budget will be \$3,600,000. This combined project will be funded with Federal Transit Administration funds - including the federal share of the MV *Solano* sales proceeds (80%), Regional Measure 1 Capital (8%) , State Cap and Trade (5%), Alameda Transportation Sales Tax (5%) and State Transit Assistance (2%) funds.

\*\*\*END\*\*\*

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2020-08**

**AUTHORIZE ACTIONS ASSOCIATED WITH REPLACING THE MV SOLANO**

**WHEREAS**, the MV *Solano* has reached the end of its useful life and was required to be removed from service on December 31, 2019 under California Air Resources Board (CARB) Harborcraft Tier 4 regulations; and

**WHEREAS**, WETA Board authorized staff to sell the MV *Solano* and identify plans to procure a replacement vessel; and

**WHEREAS**, on December 10, 2019, WETA received FTA approval to sell the MV *Solano* and apply the sales proceeds towards the purchase of a new vessel; and

**WHEREAS**, WETA has identified that adding a second vessel to the MV *Bay Breeze* replacement procurement would be the best path to the lowest price and fastest delivery of replacement vessels; and

**WHEREAS**, WETA proposes to consolidate two projects in the existing Capital Budget, *Vessel Replacement – MV Bay Breeze* and *Vessel Service Life Extension – MV Solano*, creating a single project: *Vessel Replacement – MV Solano and MV Bay Breeze* at a total cost of \$34,600,000; now therefore, be it

**RESOLVED**, that the Board of Directors authorizes staff to solicit proposals for the MV *Solano* replacement as a part of a single, combined solicitation with the MV *Bay Breeze* replacement project previously authorized; and

**RESOLVED**, that the Board of Directors establish a consolidated project budget for the combined *Vessel Replacement – MV Solano and MV Bay Breeze* project in the amount of \$34,600,000.

**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 March 12, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2020-08

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Nina Rannells, Executive Director**  
**Kevin Connolly, Planning & Development Manager**

**SUBJECT: Approve Entering Into a Memorandum of Understanding with the City and Port of Redwood City for the Feasibility and Business Plan Phases of the Redwood City Ferry Terminal Project**

**Recommendation**

Approve entering into a Memorandum of Understanding (MOU) with the City and Port of Redwood City (Port) for the Feasibility and Business Plan phases of the Redwood City Ferry Terminal project.

**Background**

A ferry terminal located in the Port of Redwood City property has been included in regional and local transportation and land use plans dating back to the Water Transit Authority's 2002 Implementation and Operations Plan. A Redwood City Ferry Terminal is also identified in WETA's 2016 Strategic Plan, as well as the Metropolitan Transportation Commission's Plan Bay Area 2040 and 2050. Measure A, a transportation sales tax measure authorized by San Mateo County voters in 2008 included funding for ferry terminals in South San Francisco and Redwood City. The City of Redwood City has included the ferry terminal in its General Plan and City's Transportation Element.

In 2012, WETA performed an initial feasibility and environmental analysis of a potential ferry terminal in Redwood City. Because of funding constraints, this project never progressed beyond the initial concept planning stage. During the summer of 2016, staff from the Port, City and WETA met to revive the terminal concept and define potential alternative models for ferry operations and project delivery. In early 2018, the Port hosted a tour and workshop for the WETA Board Chair and Vice Chair to advocate for reconsideration of ferry service to the Port.

In late 2018, the City of Redwood City executed an agreement with the San Mateo County Transportation Authority (SMCTA) to fund a feasibility study and business plan focused on a Redwood City ferry terminal. There is up to \$15 million available through SMCTA's Measure A sales tax program for a Redwood City ferry terminal. However, SMCTA requires that a potential project demonstrate that it can be "cost effective" to qualify for funding of project environmental and design activities. The feasibility study began in early 2019 and is expected to conclude by summer 2020. Depending on the results of this study, the next step will be to develop a Business Plan that further defines project elements, service and funding.

**Discussion**

The proposed MOU defines roles and responsibilities for partner agencies, as well as the process for investigating feasibility and developing a business plan. The MOU references WETA's own service design guidelines and system expansion policy as a basis for measuring project cost effectiveness. If the study work concludes that the project is viable and sufficiently cost effective to qualify for additional Measure A funds, the parties would work together to expand the MOU to

include the next set of project development activities leading to construction such as environmental review, design and engineering.

The feasibility study is being conducted by a consultant team led by CDM Smith with support from firms with expertise in marine engineering, transportation modeling and financial analysis. The study is being managed by City staff with active participation from WETA staff. As the study begins to shape conclusions and next steps for the project, the study team will provide updates and status reports for the WETA Board.

The Port of Redwood City Port Commission adopted the MOU on February 26. The Redwood City City Council is scheduled to consider the MOU at its March 9 meeting.

**Fiscal Impact**

The study work covered under the MOU is being funded with San Mateo County Measure A funds. WETA is providing in-kind staff services as support.

\*\*\*END\*\*\*

**PROJECT MEMORANDUM OF UNDERSTANDING**

**REDWOOD CITY/PORT OF REDWOOD CITY FERRY FACILITY PROJECT AND SERVICE:  
FEASIBILITY AND BUSINESS PLAN PHASES**

*March 5, 2020*

**Term, Parties**

1. General	<p>This Memorandum of Understanding ("<b>MOU</b>") establishes the framework for the feasibility analysis of a proposed ferry terminal in Redwood City (the "<b>Project</b>", as further described in paragraph 5 below). The Project is anticipated to be carried out in the following six consecutive phases: (1) Feasibility, (2) Business Plan, (3) Planning, (4) Design, (5) Construction, and (6) Operation.</p> <p>This MOU covers the Phase 1 Feasibility and Phase 2 Business Plan phases. The City has secured the necessary funding needed for the Phase 1 Feasibility work but has not secured funding for the subsequent Phase 2 Business Plan work. The Parties will commence the Phase 2 Business Plan work, if Redwood City and WETA determine during Phase 1 Feasibility that ferry service is feasible and financially viable, and funding is secured for the Phase 2 Business Plan. The Parties anticipate executing either amendments to this MOU, or separate agreements to govern the precise terms of subsequent Planning, Design, Construction, or Operation Phases, each of which shall be subject to the approvals of the City Council, the Port Commission and the WETA Board.</p>
2. Term	<p>The term ("<b>Term</b>") of this MOU shall commence on _____, 2020 ("<b>Effective Date</b>") and shall remain in effect until the date which is six (6) months following completion of the Phase 1 Feasibility and Phase 2 Business Plan work, or such later date as the Parties may mutually agree.</p> <p>The terms of this MOU, including scope and timeframes, can be modified by amendment at any time upon approval by the City Council, Port Commission, and WETA Board.</p>
3. Parties	<p>This MOU is entered into among the San Francisco Bay Area Water Emergency Transportation Authority ("<b>WETA</b>") the City of Redwood City ("<b>City</b>") and the Port of Redwood City ("<b>Port</b>").</p> <p>WETA was established in 2008 as the successor agency to the Water Transit Authority with a mission to consolidate and operate certain existing publicly operated ferry services on the San Francisco Bay, expand new routes, and coordinate ferry services in the event of an emergency.</p> <p>City is a charter city and municipal corporation located within San Mateo County.</p> <p>The Port is an enterprise department of the City with ownership and control of certain waterfront property within the City.</p>

	City and Port are collectively referred to herein as “ <b>Redwood City</b> ”. Redwood City and WETA may be individually referred to herein as a “ <b>Party</b> ,” and collectively as the “ <b>Parties</b> .”
4. WETA System Expansion Policy	On June 4, 2015 the WETA Board of Directors adopted a System Expansion Policy attached hereto as <u>Exhibit A</u> and incorporated herein (“ <b>System Expansion Policy</b> ”) to serve as a framework for evaluating the feasibility of new ferry projects. This Policy is applicable to the proposed Project and it is the intent of Redwood City and WETA to explore the feasibility of developing a ferry terminal facility in the City of Redwood City.
5. Project Definition	<p>WETA’s 2016 WETA Strategic Plan indicates the desire to construct a terminal and operate a ferry service in Redwood City. The Parties agree to work collaboratively to pursue public ferry service in Redwood City. The project is conceptually defined as a ferry terminal located in the eastern portion of the Port of Redwood City complex. The terminal will be capable of landing WETA vessels at a berthing facility consistent with WETA operational and design standards. In addition, the terminal facility will include upland property that provides automobile parking, bike and transit facilities and other features consistent with WETA terminals.</p> <p>The new ferry terminal will be capable of connecting to other terminals throughout the WETA system, including San Francisco, Oakland and the East Bay, special event terminals and future terminals currently in the planning or construction phase.</p>
6. Partnering	<p>The City of Redwood City and WETA agree to work diligently and in good faith to actively evaluate the possibility of future ferry service at a Redwood City Ferry Terminal located in the Port of Redwood City by, among other things, working cooperatively in areas such as funding and grants, community and stakeholder relations, environmental analysis and financial feasibility.</p> <p>Federal, state, regional or local funding for transit capital and operations may become available during the term of this MOU. Should the parties determine that the project is feasible and decide to move forward with project development, Redwood City and WETA will work in partnership and coordinate closely to actively pursue capital and operating subsidy sources for the Redwood City ferry service. WETA and Redwood City agree to work collaboratively to support one another in seeking and securing ferry grant funds (e.g. San Mateo County Measure A, regional transportation measures, federal discretionary funds, etc.) to support the Planning, Design, Construction, or Operation Phases for Redwood City ferry service, the latter of which includes ongoing operation and maintenance of vessels and facilities. Such support may include, but not</p>

	<p>be limited to: application support letters, provision of ridership data, operating or capital cost information or other technical information required by funders, and WETA Board or City Council or Port Commission resolutions in support of one another's funding applications.</p> <p>Redwood City and WETA agree to work collaboratively to advocate for and coordinate with the San Mateo County Transportation Authority ("<b>SMCTA</b>"), SamTrans, Commute.org and other potential local transit operators to provide frequent, reliable, and convenient bus or shuttle service to the Project.</p>
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### Feasibility Study (Feasibility Study, Public Engagement, and Funding)

7. Feasibility Study	<p>As part of the Phase 1 Feasibility Phase, Redwood City is preparing a feasibility study for provision of ferry service to and from Redwood City ("<b>Feasibility Study</b>"). The Feasibility Study will examine ridership demand; develop models for projected operating costs and fare revenue; evaluate the "cost-effectiveness" of a new ferry terminal and service; and evaluate possible ferry routes for public ferry service provided by WETA at a future Redwood City Ferry Terminal. The Feasibility Study will also develop concept-level designs and cost estimates for terminal facilities consistent with other WETA terminals throughout the WETA system. While the City has secured funding for the Feasibility Study, Redwood City and WETA have not secured funding for the subsequent Business Plan, Planning, Design, Construction, and Operations phases.</p> <p>If the Parties determine during the Phase 1 Feasibility and Phase 2 Business Plan that ferry service to and from Redwood City is both feasible and financially viable, and additional necessary funding is secured, WETA, Port and City will amend this MOU or enter into a new agreement defining specific roles and responsibilities, including funding, for subsequent Project phases.</p> <p>City will serve as the project lead, with assistance from WETA and the Port, for the Feasibility Study that will include technical analyses, ridership demand, route evaluation, outreach, cost-benefit and economic impact analyses, preliminary terminal configuration and financial feasibility analysis, including estimates of capital and operating costs and forecasts of ridership and fare revenue.</p>
8. Public Engagement	<p>Public interactions, initiated by Redwood City, as part of the Phase 1 Feasibility Phase will be managed by Redwood City with assistance and participation from WETA.</p> <p>Public interactions regarding provision of ferry service to and/or from Redwood City initiated by WETA outside of the specific context of the</p>

*Redwood City Ferry Facility and Service Project*

	Phase 1 Feasibility Phase, if any, will be managed by WETA with assistance and participation by Redwood City.
9. Contracting	City has contracted for professional services to conduct the Feasibility Study.
10. Funding	The Feasibility Study is funded through SMCTA's Measure A program along with a local match provided by the City. The SMCTA has an agreement with the City of Redwood City but is not a part of this MOU or any separate agreement with WETA.
11. Feasibility Determination	It is anticipated that the Feasibility Study will conclude with a determination by Redwood City and WETA regarding the feasibility of ferry service to and from Redwood City. If, upon completion of the Feasibility Study, either Redwood City or WETA determines that ferry service to and from Redwood City is infeasible or that it no longer desires to proceed with further work on the proposed Project, this MOU shall automatically terminate and the Parties shall have no further obligations under this MOU.
12. Business Plan and Next Steps	<p>At the conclusion of the Phase 1 Feasibility phase, the Parties, subject to identification of sufficient funding, may elect to develop a Business Plan. SMCTA, requires Redwood City to develop a Business Plan in order to receive future Measure A funding for construction of a ferry terminal. The Business Plan will address the Parties' respective roles and efforts related to building ferry ridership. The Business Plan will be subject to the concurrent approvals by the City Council, Port Commission and the WETA Board.</p> <p>WETA acknowledges that the Business Plan is required for the City to obtain necessary Measure A funding from SMCTA, and agrees to provide input in connection with development of such plan.</p> <p>If the Business Plan is accepted by SMCTA and the Parties agree to proceed to the Planning phase of the Project, the Parties will amend this MOU or enter into a new agreement defining specific roles and responsibilities, including funding, for subsequent Project phases.</p>



*Redwood City Ferry Facility and Service Project*

WETA, Port and City have entered into this Memorandum of Understanding as of the last date set forth below.

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

By: \_\_\_\_\_  
Nina Rannells,  
Executive Director

Date: \_\_\_\_\_

Reviewed:

By: \_\_\_\_\_  
Madeline Chun,  
Legal Counsel to Authority

**City of Redwood City**

By: \_\_\_\_\_  
Melissa Stevenson Diaz,  
City Manager

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
Veronica Ramirez,  
City Attorney

**Port of Redwood City,**

By: \_\_\_\_\_  
Kristine Zortman,  
Executive Director

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
Francois Sorba,  
Port Attorney

## WETA System Expansion Policy

The WETA expansion policy is intended to provide a framework for evaluating the feasibility of new ferry projects. The framework consists of policy statements that provide guidance for developing candidate project elements such as landside and waterside facilities, vessels and service plans. In addition, a set of evaluation measures defines a range of productivity and efficiency metrics that inform the WETA Board and funding partners regarding a project's financial feasibility and sustainability.

There is no pre-determined level of evaluation that determines whether a project is feasible. There are many factors that contribute to whether a project is developed and becomes part of the WETA system. Instead, the System Expansion Policy provides policy makers with an agreed-upon framework, bringing objective measures and predictability to the project development process.

### I. System Expansion Policy Statements

System Expansion Overview	WETA will expand ferry service throughout San Francisco Bay, working with local and regional partners to increase ferry ridership and relieve traffic congestion and transit crowding. New ferry services will be financially sustainable, contribute to the ferry system and enhance WETA's emergency response capabilities.
Minimum Service Period	New services will need to be in service for a minimum of 10 years to allow adequate time to build a ridership base. Services will be evaluated after a 10-year initial period to determine their continued operation.
New Service Project Evaluation	The WETA System Expansion Policy establishes a range of evaluation measures that help the WETA Board determine whether a candidate project will be successful and meet WETA's strategic goals. The new service evaluation is typically performed prior to entering environmental clearance, during the feasibility study phase of a project.
New Service Ongoing Evaluation	Once in operation, new ferry services will be evaluated on regular quarterly and yearly intervals to ensure performance is meeting expectations. Adjustments to the service plan, fare program or access conditions may be warranted.
Service Design	New ferry services typically begin as origin terminals offering commute- period service to San Francisco's Ferry Building. However, they can act as a destination terminal or offer non-commute period service, depending on local transportation goals and funding availability. WETA will work with project partners to develop a concept service design that meets travelling needs while offering a competitive, sustainable service. For commute-only origin terminals, a minimum level of service would be defined as three peak-direction trips in both the AM and PM commute periods.

WETA System Integration	New projects will enhance the WETA ferry system by adding terminals and vessels while attracting new riders to ferry service. Required system elements such as capacity at maintenance facilities and destination terminals or spare vessels will be estimated and incorporated into a project's capital cost.
Emergency Response	New projects will enhance WETA's emergency response capabilities by providing terminals and vessels for use in the response and recovery phases after a natural event. The benefits of interoperable ferry assets such as vessels, floats and terminals mean that new projects must be compatible with WETA facilities. The deployment of WETA vessels and use of ferry terminals will be a decision of state and regional authorities and not necessarily WETA or its local partner.
Vessels, Infrastructure	WETA owns and operates a network of ferry vessels along with landside and waterside facilities that are economically and operationally efficient because they are interchangeable. Therefore, candidate WETA projects must be consistent with this established infrastructure. New projects will utilize WETA catamaran-style vessels powered by marine diesel engines and ranging in capacity from 149 to over 500 passengers. Infrastructure such as maintenance facilities and terminals will be consistent with existing WETA facilities. Alternative vessel technologies or non-compliant terminals will not be considered as
Public-private partnership opportunities	Ferry terminals and vessels are complex and expensive investments that require a variety of funding sources. Operational expenses can also be significant and require long-term dedicated funding streams. WETA encourages partnerships with public or private entities interested in ferry service as a means of financing both capital and operational needs.
Capital Funding	Ferry project capital funding can come through a variety of local, regional, state and federal sources and even private contributions. Candidate expansion projects must demonstrate that there is full capital funding prior to entering the Final Design phase of a project.
Operating Subsidy	The operating subsidy is defined as the portion of the operating expense not covered by fare revenue. New ferry projects must demonstrate that there is a stable, dedicated source for an operating subsidy for a minimum period of ten years.
Terminal Access	WETA supports the use of alternative modes such as walking, biking and transit as a means of accessing origin ferry terminals. At the same time, minimum parking levels are required to ensure a service will be well utilized and accessible to all users. The ideal access environment provides customers with a choice of safe, convenient and attractive access options.

Project Agreement	A Project Agreement will be required for candidate projects prior to entering into the environmental clearance phase of a project. The Project Agreement establishes a project service plan, identifies likely funding sources and defines partner roles and responsibilities. Both the WETA Board and the policy body from the project partner must adopt the Project Agreement.
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## II. System Expansion Evaluation Measures

The following measures are intended to evaluate the competitiveness and financial feasibility of candidate WETA ferry projects. The measures are expressed in three ways: minimum, target and maximum (as applicable). Minimum levels are what will be required after the initial 10 years of operation. Target levels are consistent with expected performance of mature services such as Alameda/Oakland, Vallejo and Harbor Bay.

### Passengers per Revenue Hour (Commute-only service)

Passengers per revenue hour measures the number of boardings in a given hour of service. Services that have high two-way ridership along with a short travel time, enabling vessels to offer multiple runs in a given commute period will be strong performers. This measure provides an evaluation of ridership and the efficiency of operating resources.

Minimum	Target	Maximum
100	150	250

### Passengers per Revenue Hour (All-day service)

All-day services typically operate seven days per week and generally from 6 AM up to 8 PM. Today, only Alameda-Oakland and Vallejo are all day services. The target for Passengers per Revenue Hour is slightly lower, given lower volumes in the midday and off-peak periods.

Minimum	Target	Maximum
100	125	250

### Farebox Recovery

Farebox recovery is defined as the portion of operating expenses covered by fare revenues. Farebox recovery measures ridership, operating expense and financial sustainability.

Minimum	Target	Maximum
40%	50% – 70%	100%

**Peak Hour Occupancy**

Peak hour occupancy – defined as the combined peak direction occupancy level during the highest ridership hour of a commute service – indicates ridership demand and provides guidance for vessel deployment and service planning. High levels of peak hour occupancy indicate the possibility of leave-behinds or standees and would require corrective action.

Minimum	Target	Maximum
50%	60% -- 75%	80%

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2020-09**

**APPROVE ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY AND  
PORT OF REDWOOD CITY FOR THE FEASIBILITY AND BUSINESS PLAN PHASES  
OF THE REDWOOD CITY FERRY TERMINAL PROJECT**

**WHEREAS**, the Redwood City Ferry Terminal is included in WETA's 2016 Strategic Plan and the Metropolitan Transportation Commission's Plan Bay Area; and

**WHEREAS**, in February 2019, staff from the City and Port of Redwood City began working collaboratively on a feasibility study for a ferry terminal on Port of Redwood City property; and

**WHEREAS**, the Memorandum of Understanding (MOU) defines roles and responsibilities in the early feasibility and business planning phases of the project; and

**WHEREAS**, the MOU will be amended if and when the project progresses to the next stage of development; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby approves entering into a MOU with the City and Port of Redwood City for the Feasibility and Business Plan Phases of the Redwood City Ferry Terminal.

**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 March 12, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2020-09

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Nina Rannells, Executive Director**  
**Lauren Gularte, Program Manager/Analyst**

**SUBJECT: Sponsor and Support California Assembly Bill 2995 Clarifying WETA's Authority Related to Ferry Transportation Services in the Bay Area**

**Recommendation**

Sponsor and take an action to support California Assembly Bill 2995 (AB 2995) with the understanding that the bill is in the process of being amended to clarify WETA's existing authority and require WETA concurrence as part of the California Public Utilities Commission (CPUC) permitting process for new ferry services within WETA's jurisdiction.

**Background**

The WETA was created by the State Legislature in 2008 to plan, manage, operate and coordinate a robust regional ferry transportation system in the San Francisco Bay Area and coordinate the waterborne response to an emergency impacting the Bay Area's transportation infrastructure.

Because of the importance of an orderly development of a comprehensive Bay Area region water transportation system, the environmental, health, emergency response, public safety issues implicated and the scarce resources available, WETA was granted the authority, through its enabling legislation, to determine the entry within its jurisdiction of any water transportation service or facility that will affect public lands or receive a benefit from the use of federal, state or local funds, except those owned and operated by the Golden Gate Bridge, Highway and Transportation District. This authority was intended to complement, and not derogate, the existing authority of the CPUC. Further, through WETA's enabling legislation, WETA was given the authority within the area of its jurisdiction to study, plan and implement any improvements, expansion or enhancements of existing or future public transportation ferries and related facilities and services.

**Discussion**

Assembly Bill 2995 (Chiu) is still in the early stages of the legislative process. While it is still in the process of being amended, the author's intention is that AB 2995 will (a) clarify WETA's broad authority over the planning and entry of new public water transportation services in the Bay Area and (b) include WETA more directly in the CPUC process of considering applications to operate as a vessel common carrier in the Bay Area Region in order to ensure that such private water transportation services are complementary to existing or planned public service. This bill would not limit the CPUC's final approval authority nor would it create an unmanageable regulatory scheme that WETA would need to create. Rather, any applicant to the CPUC for authority to operate as a vessel common carrier in the Bay Area Region or for any amendment to such authorization, would need to obtain WETA's concurrence as a part of the application process. Concurrence would be provided upon a finding by the WETA Board that the application is for water transportation services that are complementary to existing or planned service of public transportation ferries.

Services excluded from this oversight would include those owned and operated by the Golden Gate Bridge, Highway and Transportation District, sightseeing services with the same embarkation and disembarkation point, charter services and existing ferry service operated by the state or federal government including the Delta ferry service and service to Alcatraz and Angel Island.

Staff will return to the Board with a proposal to retract WETA's support of the bill in the event that amendments to the bill giving effect to the goals discussed in this report are not made in time for the first policy committee's consideration of the bill.

**Fiscal Impact**

There is no fiscal impact associated with sponsoring this bill. If enacted, WETA would incorporate the work associated with reviewing and concurring with applications for entrance into the Bay Area ferry transportation market into its exiting staffing structure.

\*\*\*END\*\*\*



**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2020-10**

**SPONSOR AND SUPPORT CALIFORNIA ASSEMBLY BILL 2995  
CLARIFYING WETA'S AUTHORITY  
RELATED TO NEW FERRY TRANSPORTATION SERVICES IN THE BAY AREA**

**WHEREAS**, WETA was created by the State Legislature in 2008 to plan, manage, operate and coordinate a robust regional ferry transportation system in the San Francisco Bay Area and coordinate the waterborne response to an emergency impacting the Bay Area's transportation infrastructure; and

**WHEREAS**, WETA was granted the authority, through its enabling legislation, to determine the entry within its jurisdiction of any water transportation service or facility that will affect public lands or receive a benefit from the use of federal, state or local funds, except those owned and operated by the Golden Gate Bridge, Highway and Transportation District; and

**WHEREAS**, WETA was given the authority within the area of its jurisdiction to study, plan and implement any improvements, expansion or enhancements of existing or future public transportation ferries and related facilities and services; and

**WHEREAS**, WETA proposes to clarify its authority related to new ferry transportation services in the Bay Area by sponsoring and supporting Assembly Bill 2995 (AB 2995), which seeks to clarify WETA's broad authority over the planning and entry of new public water transportation services in the Bay Area and include WETA more directly in the California Public Utilities Commission (CPUC) process of considering applications to operate as a vessel common carrier in the Bay Area region to ensure that such private water transportation services are complementary to existing or planned public service; now, therefore, be it

**RESOLVED**, that the Board of Directors agrees to sponsor and take action to support AB 2995 with the understanding that the bill is in the process of being amended to clarify WETA's existing authority and require WETA concurrence as part of the CPUC permitting process for new ferry services within WETA's jurisdiction.

**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 March 12, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2020-10

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO:** Board Members

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

**SUBJECT:** Status Report on WETA Hovercraft Feasibility Study

**Recommendation**

There is no recommendation associated with this informational item.

**Background**

In February 2019, the Board directed staff to develop a scope of work for studying hovercraft as a possible alternative technology for delivering new ferry service and requested that this study work be included in WETA's 2019/20 work program. In April 2019, staff presented a preliminary scope for a Hovercraft Feasibility Study and received input from the WETA Board and comments from the public. In June 2019, staff presented a revised final scope of work to the Board and received authorization to release a Request for Proposals (RFP) for consulting services to conduct the study. The Board authorized award of a contract in the amount of \$475,000 to AECOM for the study work in September 2019.

**Discussion**

The Hovercraft Feasibility Study scope of work starts with a review of the 2011 WETA Hovercraft Feasibility Study to update technology, costs and permitting and regulatory considerations. The study will then update operating and capital cost assumptions given any changes in the technology. There will be a focus on environmental and permitting requirements given today's regulatory environment in the Bay Area. Finally, the study team will select up to five corridors to study in detail to determine the feasibility of hovercraft ferry operations.

The Hovercraft Feasibility Study team has been working since fall 2019 on updating the 2011 WETA Hovercraft Feasibility Study. To provide input to the study team, WETA has assembled a Technical Committee made up of public and regulatory agencies that may be involved in future Hovercraft project approvals. A second committee made up of stakeholders from the private, non-profit and public sectors has also been assembled to provide input as the study explores hovercraft feasibility. Both committees met the week of February 24 to review and discuss the initial work of the consultant team. The consultant will provide an overview of this work at the March 2020 WETA Board meeting.

**Fiscal Impact**

There is no fiscal impact associated with this informational update.

\*\*\*END\*\*\*