

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

(January 9, 2020)

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

1. CALL TO ORDER – BOARD CHAIR

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

2. PLEDGE OF ALLEGIANCE/ROLL CALL

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

3. REPORT OF BOARD CHAIR

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

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

4. REPORTS OF DIRECTORS

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

5. REPORTS OF STAFF

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

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

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

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

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

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

6. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- a. Board Meeting Minutes – December 12, 2019

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

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

7. APPROVE CONTINUATION OF RICHMOND SUMMER WEEKEND SERVICE IN 2020

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

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

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

PUBLIC COMMENT

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

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

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

PUBLIC COMMENTS

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

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

Director DelBono made a motion to approve the item.

Director Intintoli seconded the motion and the item passed.

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

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

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

PUBLIC COMMENT

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

Director Intintoli made a motion to approve the item.

Director DelBono seconded the motion and the item passed.

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

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

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

PUBLIC COMMENTS

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

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

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

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

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

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

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

10. MISSION BAY FERRY LANDING PROJECT UPDATE

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

PUBLIC COMMENT

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

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

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

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

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

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

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

11. TREASURE ISLAND FERRY SERVICE PROJECT UPDATE

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

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

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

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

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

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

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

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

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

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

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

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

PUBLIC COMMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No further public comments were shared.

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

- Board Secretary

END