

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

(April 23, 2020)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in special session via teleconference consistent with California Governor Gavin Newsom's Executive Order N-25-20 to ensure social distancing and help mitigate the transmission of COVID-19.

1. CALL TO ORDER/ROLL CALL

Chair James Wunderman called the special meeting to order at 9:06 a.m. Chair Wunderman, Director Anthony Intintoli and Director Jeffrey DelBono were in attendance.

Chair Wunderman advised guests that since this was a special meeting of the Board, public comments would be limited to the listed agenda items.

Chair Wunderman said that WETA was facing incredible challenges and many future unknowns. He acknowledged WETA staff, the Blue & Gold Fleet, his fellow Directors and WETA's stakeholders and partners who have been following the difficulties WETA has been managing as a result of the COVID-19 crisis. Chair Wunderman said WETA had been focused on how to keep the agency whole in the face of mounting revenue losses and said he felt it was likely that a solution was now in place that Directors would be discussing in detail later in the meeting.

2. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- a. Designate Authorized Agents to Apply for Federal or State Disaster Assistance Funds

Chair Wunderman called for public comments on the motion, and there were none.

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

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

3. CONSIDER ACTIONS TO ADDRESS THE IMPACTS OF THE COVID-19 PANDEMIC ON WETA OPERATIONS

Chair Wunderman said the actions being considered were critical for WETA and that staff and Directors had been focused on how to address the lasting impacts of the COVID-19 crisis now, for the short term and for the future. He said every transit agency in the Bay Area was facing an unprecedented, unanticipated and very challenging situation. Chair Wunderman said that while the future was unknown, it was most certainly going to look different than the past.

Chair Wunderman said he had invited representatives from the Metropolitan Transportation Commission (MTC) to join the meeting today. He said MTC was the Bay Area's transportation quarterback and that over the course of many years MTC had done a really fine job of representing the Bay Area to the State of California and the federal government. Chair Wunderman said it was

critically important going forward that WETA maintain constant contact with and support MTC. He said MTC was managing the disbursement of the first tranche of federal CARES Act funding which would keep WETA afloat in the short term.

Chair Wunderman introduced MTC Deputy Executive Director of Policy Alix Bockelman and MTC Director of Legislation and Public Affairs Randy Rentschler. He asked that they share their thoughts with the Board on how they see the current big picture unfolding, what work MTC was doing to address the situation and what WETA could do to be helpful to MTC moving forward.

Ms. Bockelman said she was pleased to report that MTC had taken action on April 22 to approve initial programming from the CARES Act Transit Emergency Assistance funding. She explained that the federal CARES Act legislation had included \$25 billion to support public transportation during the COVID-19 crisis with \$1.3 billion allocated for the San Francisco Bay Area to support public health safety and to help mitigate revenue losses. Ms. Bockelman said the action taken included \$12.5 million to support WETA. She said an important part of the MTC discussion yesterday had been that this funding was meant to stabilize the system in the near term but that there certainly was not enough to run services into the future.

Ms. Bockelman said the April 22 report to MTC Commissioners had included a snapshot of how the transportation landscape had completely changed over the last month. She said this information included a drop in ridership of more than 70%, with ferries and rail service hit even harder with a reduction of more than 90%. Ms. Bockelman said weekday toll revenues on the Bay Area's bridges had declined by 50% and more than 60% on weekends. She said the entire transportation system was facing an uncertain recovery and would be relying on unknowns right now, such as how long the shelter in place orders would remain in effect, so it was difficult to predict what the new normal will look like. Ms. Bockelman said that while the CARES Act funding was significant and meaningful, it was not enough to subsidize the hits the Bay Area's public transportation system was taking. She added that because of this, it was critical to develop a recovery strategy which she knew WETA and other agencies were already discussing.

Ms. Bockelman said MTC Commissioners asked in their April 22 meeting that a blue ribbon rapid recovery task force be convened to address the questions of financial stability, sustainability, network connectivity and lifeline transit dependent service needs. She said that task force would ramp up quickly to address how the Bay Area transportation systems will emerge from this pandemic crisis. Ms. Bockelman said that there was some optimism in the challenges for WETA and that MTC believed that Regional Measure 3 (RM3) would be upheld by the courts and if it was, it would provide significant operating revenues to WETA and allow any funds not used in a given year to be held in reserve for WETA's use in future years. She noted this funding would begin at \$10 million annually and grow to \$35 million annually over time. Ms. Bockelman said that because of WETA's financial prudence, the agency also had some State Transit Assistance funds in reserve that could be utilized and emphasized that these were glimmers of hope and good news among WETA's challenges.

Ms. Bockelman introduced Mr. Rentschler to provide additional information on the state and federal funding landscapes.

Mr. Rentschler said WETA was going to be in the same boat as many other transportation agencies. He said he believed WETA's position was better than any of its peers because of the agency's significant available reserve of funds and because RM3 was expected to provide substantial new funding for WETA. He said MTC was very confident it would prevail in the legal challenges currently holding up RM3 and said WETA would be well funded from the measure. Mr. Rentschler said that he

could think of no other transportation agencies other than samTrans and WETA who had new revenue sources on the horizon. He said there was great opportunity for WETA to be optimistic.

Mr. Rentschler said it was highly likely that during this crisis recovery period, that people would feel more comfortable riding a ferry than boarding a packed BART train. He said he believed the bridge traffic would return and that systems like BART would recover last. Mr. Rentschler said the amount of funding received by the Bay Area from the federal government was significant. He added that it was unlikely that funding of that magnitude would likely be seen again, but it was possible that if the major infrastructure legislation currently being discussed were to come to fruition, that WETA would likely benefit from it.

Mr. Rentschler said that state legislators tended to not hold transportation at the forefront of funding needs during times of major economic crisis, and that it was more common for them to look for ways to cut transportation funding. He said he was hopeful that this time that would not happen because of previously secured funding agreements. Mr. Rentschler said that other than some possible funding to support the agency's emergency response mandate, WETA should not expect to see any major funding coming out of Sacramento at this time.

Chair Wunderman thanked Ms. Bockelman and Mr. Rentschler for their insights and support and for participating in this special meeting. In response to a question from the Chair about the RM3 legal process timing, Mr. Rentschler said MTC had won the first round in the appeals process, and the court has sped up the process, but the timing remained unknown. Mr. Rentschler said he strongly believed WETA could rationally plan on having the RM3 funding in the future, but he did not know when it could be expected.

Chair Wunderman said WETA had been planning with an expectation of ultimately receiving the RM3 funding but without the additional challenges the pandemic crisis had created. He said how the public was going to feel about mass public transportation coming out of this pandemic was unclear. Chair Wunderman said he would like WETA to partner with MTC to help in any way that was needed to help assure the public feels comfortable and confident in returning to public transit. He said WETA wants to be able to implement all necessary measures to support that such as creating enough space for social distancing while also providing expected levels of service.

Mr. Rentschler said that it was important that WETA and other transit agencies implement these measures to assure public safety and instill confidence in riders. He said the San Francisco Municipal Transportation Agency had shared a public message that discouraged people from riding Muni. Mr. Rentschler emphasized that it was going to take some work to overcome that message when the time comes. He said doing things like marking social distancing intervals at WETA terminals was a good example of how to help instill WETA rider confidence.

WETA Executive Director Nina Rannells said that the Blue & Gold Fleet (Blue & Gold) had done an excellent job to ensure their employees and WETA's passengers were safe. She said to her knowledge, no Blue & Gold crew members, captains or riders had become ill from COVID-19. She said this spoke volumes to Blue & Gold President Patrick Murphy and his leadership team who were thinking about the health and safety of their employees and the public. Ms. Rannells said a new recent health order required people to wear masks, and she noted that WETA also had measures in place to limit capacity on vessels to assure passengers can practice social distancing while riding. She also confirmed that social distancing markers were already in place at WETA terminals. Ms. Rannells said WETA was working to assure passengers and crews were safe and that Blue & Gold had done a tremendous job in these efforts.

Chair Wunderman said WETA was in conversation with the Governor's Office of Emergency Services (Cal OES) regarding its emergency response and recovery function because this was an unfunded mandate of the agency. He explained that the expectation had always been that WETA would build up to a robust enough public transit service that it would be able to pivot to a response and recovery system in the event of a disaster such as a major earthquake. Chair Wunderman said that with this crisis hitting the public transit aspect of WETA so dramatically, the agency's ability to respond in an emergency or disaster was threatened without a funding source to do so.

Director Intintoli said he first met Mr. Rentschler more than 20 years ago when he was representing the Bay Area in Washington, D.C. He thanked him for his enduring efforts and especially for his work at this crucial time.

Director DeBono thanked Ms. Bockelman and Mr. Rentschler for their work and support and for educating him throughout the years. He noted that the WETA staff and the Blue & Gold crews had been working to support social distancing and to protect public health right at the beginning of this crisis. He added that he would like for WETA to participate on the MTC recovery task force and said he was grateful to have the support of Ms. Bockelman and Mr. Rentschler.

Chair Wunderman said it was really important for WETA to continue to work closely with MTC as they manage the Bay Area's large and complex transportation system and that water transit was likely to play an even more important role in that system in the future. He emphasized that the current crisis situation required an even stronger and more thoughtful partnership.

Chair Wunderman said he believed the challenge of how to keep WETA's crews employed and available had been resolved in the short term with receipt of the federal CARES Act funding. He said MTC had authorized \$12.5 million in funding for WETA out of the first tranch of the funding which represented about 61% of the total. Chair Wunderman echoed Ms. Bockelman's comments that this funding would not subsidize transit in the future but was ample to address WETA's short term needs for the next few months. He said while the initial suggestion had been that the Blue & Gold crews be retained through the middle of May, it made sense to extend that timeframe through the end of WETA's current fiscal year to June 30, because there was ample funding now to do so.

Ms. Rannells agreed with the Chair's suggestion. She said that two weeks ago it was unclear how much funding WETA would receive and whether or not it could be used to pay for the Blue & Gold contract. She said these questions have now been answered and that the Federal Transit Administration (FTA) had been incredibly responsive to WETA's inquiries and communications. Ms. Rannells added that in her 30 years of working with the FTA, she had never seen such leniency for agencies to be able to fill their funding gaps with federal funding. She said WETA's attorneys had been in communication with FTA attorneys, and she felt confident and happy that WETA would be able to continue funding what it was currently doing through its fiscal year.

Ms. Rannells reminded Directors that WETA was in the fortunate position of spending under its budget before the pandemic hit, and that San Francisco Bay Ferry services had enjoyed robust rider growth this year resulting in higher than anticipated fare revenue. She explained that because of this, WETA's anticipated shortfall for the fiscal year is limited to approximately \$3.6 million. Ms. Rannells noted that this means that WETA will have some CARES Act funding to carry into next fiscal year to help with the anticipated shortfall. She said that depending on whether or not people return to ride WETA's vessels, anticipated losses could be large, and will likely exceed the CARES Act funds made available to date. Ms. Rannells reminded Directors of Ms. Bockelman's comment that WETA had State Transit Assistance funds in reserve at MTC and said these funds were discussed at length last fall to support Seaplane Lagoon and Mission Bay in light of the possible absence of RM3 funding. Ms.

Rannells said all of these resources would be under consideration in creating WETA's recovery plan along with how to stage a recovery in terms of services, how to maintain social distancing on the vessels and at the terminals and what this all meant for WETA service. She noted that to ensure social distancing, only about 25% of vessel capacity could be utilized.

Ms. Rannells said the good news was that the CARES Act funding would support WETA through the end of the fiscal year and because of that, she reiterated her recommendation that Blue & Gold crews be maintained through June 30.

Chair Wunderman said it would be wise to begin looking at budget numbers at the next regularly scheduled Board meeting in May. He said WETA would need a strategy to advocate for its fair share of the remaining 39% of the CARES Act funding that will be disbursed to agencies for recovery.

Director Intintoli made a motion to extend the period of paid Blue & Gold crews through the end of WETA's current fiscal year on June 30.

Director DeBono thanked WETA staff, the Blue & Gold Fleet and WETA's lobbyists for all of the hard work they have been doing during this difficult time. He said he was grateful that through all of this, the number one priority has been to take care of people. Chair Wunderman agreed and said he especially wanted to thank the leadership of organized labor for their thoughtful participation and for speaking up. He said their partnership was valued and would be needed in a most profound way going forward.

Chair Wunderman called for public comments on the motion.

PUBLIC COMMENTS

Inlandboatmen's Union (IBU) Regional Director Robert Estrada commended WETA Directors, Ms. Rannells and Blue & Gold Fleet leadership on their efforts during this crisis on behalf of the crews. He also thanked MTC for its partnership and critical leadership. Mr. Estrada said that this crisis has given him incredible respect for those in elected office, most especially for Assemblymembers Rob Bonta and David Chiu. He said they were right there willing to help WETA in this crisis from the very start, and he was grateful for that. Mr. Estrada said he also wanted to show appreciation for the Blue & Gold Fleet employees and leadership. He reiterated his gratitude to the WETA Board and Ms. Rannells and her staff, saying he could not be more impressed by the compass and energy they have brought to bear on this never before seen test. He said he has been watching closely, and waiting for a potential misfire, and it has never come to pass. Mr. Estrada said this dispels the stereotypes that government bodies are cumbersome and unable to respond in the moment and added that what he has witnessed instead has been agility, flexibility and professionalism. He said that under WETA's current leadership, he believed the agency would emerge from this crisis stronger than ever.

Masters, Mates & Pilots Regional Representative Captain Sly Hunter said he agreed with everything Mr. Estrada said. He said this was a defining moment for WETA, for Blue & Gold Fleet and for his organization's members. Captain Hunter said the term front line worker had been redefined by this crisis and that we were all on the front lines right now. He thanked the WETA Board and Ms. Rannells for her leadership. Captain Hunter also thanked Blue & Gold Fleet President Patrick Murphy for his leadership. He said all had risen to the occasion and redefined this region and how we deal with adversity in an emergency situation, and he added that he hoped to see a return to a new normal for all soon.

IBU President Marina Secchitano said it had been a rough couple of months. She said everyone was worried about whether or not they would have a paycheck or health care. Ms. Secchitano thanked Ms.

Rannells for her leadership. She said she couldn't be more proud to be working with Directors at this time. Ms. Secchitano thanked MTC and Blue & Gold Fleet and said that because of everyone's partnership and efforts, WETA's crew members would sleep so much better tonight.

Chair Wunderman thanked the speakers for their comments and their partnership. He reiterated Mr. Estrada's expression of gratitude to Assemblymembers Chiu and Bonta. Chair Wunderman said to have their support at the levels they have offered felt unprecedented. He emphasized the importance for WETA to assure that these key legislators always had the information they needed to be able to continue to support WETA and Bay Area water transportation. He said working as one big team together would allow the region to do great things, including in the legislators' districts.

Director DelBono seconded Director Intintoli's motion, and the item passed unanimously.

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

Chair Wunderman confirmed that the next regularly scheduled Board meeting would be on Thursday, May 7, and he noted that this meeting would also take place via teleconference. Ms. Rannells said the focus of that meeting would be WETA's budget and service scenarios.

Ms. Rannells announced the news that WETA had won a significant grant of \$9 million to build a battery electric vessel to operate in future Mission Bay service. She said this would provide WETA the opportunity to move into the realm of battery electric and hybrid vessels. Chair Wunderman said this was terrific news, and he commended Ms. Rannells and her staff as well as WETA's legislative representatives for the work that went into the effort. He said it would be great to talk about the planning for that at the next meeting.

Director DelBono said a silver lining in this pandemic crisis has been the recognition that it *is* possible to reduce emissions. He said this grant would help WETA do that.

With all business concluded, Chair Wunderman adjourned the meeting at 9:56 a.m.

- Board Secretary

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