

Members of the Board

James Wunderman, Chair
Jessica Alba
Jeffrey DelBono
Anthony J. Intintoli, Jr.
Monique Moyer

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

Thursday, July 16, 2020 at 12:30 p.m.

VIDEOCONFERENCE

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AGENDA

1. CALL TO ORDER / OATH OF OFFICE
2. ROLL CALL
3. REPORT OF BOARD CHAIR **Information**
 - a. Chair's Verbal Report
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 Ridership and Recovery Report
 - c. Monthly Review of Financial Statements
 - d. Federal Legislative Update
 - e. State Legislative Update
6. CONSENT CALENDAR **Action**
 - a. Board Meeting Minutes – June 4, 2020
 - b. Board Meeting Minutes – June 18, 2020
 - c. Authorize Update of Signature Authority for Local Agency Investment Fund Account
7. APPROVE FISCAL YEAR 2020/21 OPERATING BUDGET ADJUSTMENT **Action**

**Water Emergency Transportation Authority
July 16, 2020 Meeting of the Board of Directors**

- | | |
|---|---------------|
| 8. <u>APPROVE CONTRACT AWARD TO POWER ENGINEERING
CONSTRUCTION COMPANY FOR THE HARBOR BAY FERRY TERMINAL
MOORING PILING PROJECT</u> | Action |
| 9. <u>APPROVE PARTICIPATION IN THE CLIPPER START REGIONAL MEANS-
BASED FARE DISCOUNT PILOT PROGRAM</u> | Action |
| 10. <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.

CHANGES RELATED TO COVID-19

Consistent with Governor Gavin Newsom's Executive Order N-25-20, effective immediately and until further notice, meetings will be conducted through virtual participation to promote social distancing and reduce the chance of COVID-19 transmission.

PUBLIC COMMENTS WETA welcomes comments from the public.

If you know in advance that you would like to make a public comment during the videoconference, please email BoardOfDirectors@watertransit.org with your name and item number you would like to provide comment on no later than 15 minutes after the start of the meeting. During the public comment period, 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.

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

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.

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 an email with your request to: contactus@watertransit.org or by telephone: (415) 291-3377 as soon as possible and no later than 5 days prior to the meeting and we will work to accommodate access to the meeting.

AGENDA ITEM 1
CALL TO ORDER

AGENDA ITEM 2
ROLL CALL

AGENDA ITEM 3
REPORT OF BOARD CHAIR

AGENDA ITEM 4
REPORTS OF DIRECTORS

NO MATERIALS

TO: WETA Board Members

FROM: Nina Rannells, Executive Director

DATE: July 16, 2020

RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE**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. Full hull weld-out is complete and the superstructure is painted. Insulation, plumbing, and wiring work is in process, and propulsion components are being prepared for installation. Final delivery is scheduled for October 2020. Construction of the second vessel will begin in early summer 2020 and is expected to be completed in summer 2021. These build schedules have been impacted by the COVID-19 pandemic and local shelter-in-place orders. Approximately 70% of the workforce is available and working; morning and evening work shifts are being utilized to maintain physical distancing.

MV Bay Breeze and MV Solano Vessel Replacement

Both vessels have met the requirements qualifying for Federal Transit Administration (FTA) replacement funds. These 320-passenger replacement vessels will have minimal environmental impact, advanced Tier 4 emission controls, shallow draft, and low wake features. On February 13, the Board authorized release of a Request for Proposals (RFP) for the MV *Bay Breeze* replacement vessel construction. On February 13, the Board authorized a construction management services award to Aurora Marine Design. On March 12, the Board authorized staff to solicit proposals for the MV *Solano* replacement as a part of a single, combined solicitation with the MV *Bay Breeze* replacement project. The Board also authorized amending the construction management contract for the increased project scope. On April 20, an RFP was released for the project and on May 4 a pre-bid meeting was held with 50 attendees representing 8 shipyards. Proposals were due June 29. Staff anticipates being in a position to recommend award of a contract for this project at the September Board meeting.

Mission Bay Electric Vessel and Terminal Charging infrastructure

On April 21, the California State Transportation Agency (CalSTA) announced an award of \$9.06 million for an all-electric ferry and related infrastructure for new Mission Bay Ferry service. The project includes design and construction of one new all-electric vessel and related shoreside charging infrastructure at the Mission Bay and Downtown San Francisco Ferry Terminals. The Mission Bay ferry service is a critical 2.6-mile extension service between the Downtown San

San Francisco and Mission Bay Ferry Terminals that will improve the reach of existing ferry routes from Alameda, Oakland, Richmond, and Vallejo. Staff has started preliminary work developing technical specifications and procurement documents. The Transit and Intercity Rail Capital Program (TIRCP) grant funds must be approved by the California Transportation Commission prior to the project being eligible for reimbursement. Staff will work with CalSTA to secure required approvals in the coming months.

Harbor Bay Fender Piling Installation

The Harbor Bay Ferry Terminal is located at an exposed location on the eastern shore of San Francisco Bay. This project involves the installation of two pilings with fendering at the dock. Project benefits include softer motions while docking, less wear and tear on the vessels, and increased service life of existing fenders. The proposed mooring pile fenders would also improve the ability to land WETA's larger vessels at this facility. Permits are in the review process and expected to be delivered in time to implement this project during the in-water work window. An Invitation for Bids was released on May 19, and staff has prepared a recommendation for award to be considered at the July 16 meeting Board meeting. Work is anticipated for late summer during the permitted work window with no disruption to passenger service.

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. The construction contractor for the project is Power Engineering Construction Company, and construction management services are being provided by CH2M Hill which was acquired by Jacobs Engineering.

Project construction began in February 2017 and is now complete with the exception of permanent electrical service. Work will begin on the electrical connection in mid-July and is anticipated to be complete by November 2020. Staff anticipates removing the construction fence and opening the plaza to the general public in August.

SERVICE DEVELOPMENT UPDATE

Mission Bay Ferry Landing

The Port of San Francisco (Port) has conducted feasibility and design studies in partnership with WETA staff for a future Mission Bay ferry landing. A project Memorandum of Understanding (MOU) between the Port and WETA was adopted by the Board in January 2017, establishing roles and responsibilities for the joint development of this project. The environmental document, final design, and permitting are now complete.

In April 2019, the Port requested that WETA commit \$25 million of its future Regional Measure 3 (RM3) funds to support terminal construction, estimated at the time to cost approximately \$40 million, in order to fully fund project construction. The Board authorized the Executive Director to enter into an MOU and a resolution for a Letter of No Prejudice (LONP) at the February 2020 Board meeting. On March 25, 2020, the Metropolitan Transportation Commission (MTC) approved the LONP request. Adoption of the MOU by the San Francisco Port Commission has yet to be scheduled for consideration. On March 11, 2020, the Port released Invitations for Bids for both dredging and site preparation. The Port awarded the contract at its April 28 Commission meeting. Dredging and site preparation is expected to begin in summer 2020. The Port will initiate separate procurements for construction management and terminal construction later this year. Construction work is anticipated to begin in 2021.

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 Ferry 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 Board and Alameda City Council adopted an 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 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. The Board and Alameda City Council adopted an Operating Agreement in December 2019 that supports transfer of the terminal waterside assets to WETA upon completion. The City and APP are completing construction in July 2020 and the new terminal is expected to be ready for operations in August.

Staff has developed a marketing and outreach plan, branded "Seaplane Shift" to support the new Seaplane Lagoon service and related changes to the Alameda/Oakland estuary services. The campaign plan was revised in the wake of the COVID-19 crisis and the modified campaign was launched in May with anticipation that the Seaplane Shift could occur in the third quarter of 2020.

Redwood City Ferry Terminal

WETA prepared a draft Redwood City ferry terminal site feasibility report in 2012 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 at a February 2019 meeting with a consultant team and staff from the Port, Redwood City and WETA, is expected to be completed by summer 2020. In March 2020, the Port, Redwood City, and WETA approved entering into a project MOU that defines agency roles and responsibilities for working together to advance the feasibility study and potential future terminal planning and development.

Berkeley Ferry Terminal

The proposed Berkeley service will provide an alternative transportation link between Berkeley and downtown San Francisco. In July 2019, the City of Berkeley (Berkeley) and WETA executed an 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 round of public workshops was scheduled to take place in late March but has been deferred until the City moves its outreach program to an online platform.

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 Board, SFCTA/TIMMA staff has indicated that they anticipate being able 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. 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 May, the SFCTA staff proposed conducting a consultant analysis of ferry service for Treasure Island and select portions of the San Francisco waterfront. WETA staff has reviewed the scope of the proposed study and is expecting to participate in this effort.

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 was assembled, comprised of hovercraft industry representatives, advocates from Bay Area public policy groups, environmental organizations, and maritime industry representatives to guide the study. Staff also convened a Hovercraft Technical Advisory Committee to review and provide input on preliminary results of the study. On September 5, the Board 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 was to review the 2011 WETA Hovercraft Feasibility Study and update areas such as technology, environmental performance, and costs. Those draft results were reviewed by staff and returned to the consultants for finalization. WETA staff and consultants hosted Technical Advisory and Stakeholder Advocacy Workshops on February 26 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. Staff presented an overview of the initial work at the March 12 meeting. The second round of committee meetings held the week of May 11 included a conversation about narrowing down the top routes for further analysis. The consultant provided an update to the Board at the June meeting highlighting the list of top routes for further analysis. The next step is for staff and the consultant to meet with the cities included in the final routes to review initial ridership modeling findings. The next committee meetings will

be held in August to discuss the ridership modeling results and a more detailed environmental analysis of potential terminal locations.

MTC's Blue Ribbon Transit Recovery Task Force

The Metropolitan Transportation Commission has created a Blue Ribbon Transit Recovery Task Force (Task Force) to guide the future of the Bay Area's public transportation network as the region adjusts to new conditions created by the COVID-19 pandemic. The Task Force, chaired by MTC Commissioner and Solano County Supervisor Jim Spering, includes other local elected officials as well as advocates for people with disabilities; representatives from the state Senate and Assembly; the California State Transportation Agency; transit operators; business and labor groups; and transit and social justice advocates. The Task Force members were formally appointed at the Commission's May 27th meeting. While WETA does not have a direct seat on the Task Force, Chair Wunderman is a participant through his role at the Bay Area Council.

Bay Area transit operators have worked collaboratively to form several working groups focused on the areas of financial sustainability, public health and safety, service and operations planning and communications in order to support the Task Force's work and discussions. WETA staff is regularly participating in these working groups.

Initial work of the Task Force included developing a recommendation for expedited distribution of federal Coronavirus Aid, Relief and Economic Security (CARES) Act Phase 2 funds. The first distribution of \$780 million in CARES Act funding was approved by MTC in April 2020. The Task Force approved a funding recommendation at their June 28 meeting which was referred to MTC for approval by the Commission in July. WETA staff participated in multiple discussions with Bay Area transit operators and MTC in the development of this final program.

In addition, the transit operators worked to develop a Public Health on Transit Plan, which was presented to the Task Force at their June 28 meeting, that provides a common, scalable set of guidelines and best practices to protect the health of riders and transit workers in the region as we continue to operate during the pandemic.

The remaining work of the Task Force will be to submit a Bay Area Public Transit Transformation Action Plan to the Commission by mid-2021 for its consideration and possible adoption. The Plan will describe the actions needed to re-shape the region's transit system into a more connected, more efficient, and more user-focused mobility network across the entire Bay Area and beyond. In support of this work, the transit operators, through the service and operations planning subgroup – are collaborating to develop regional operating concepts that emphasize network connectivity as systems begin to adjust service in response to and in anticipation of returning transit ridership demand. The operators have been invited to present an overview of their transit connectivity principles at the next Task Force meeting scheduled on July 13.

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:

- On July 2, the United States Coast Guard (USCG) Sector San Francisco conducted an interagency maritime active threat exercise in conjunction with WETA. The exercise involved approximately a dozen local, state, and federal agencies and exercised the notification and response procedures for a maritime active threat situation.

- Planning for the Bay Ferry V Emergency Preparedness and Security Exercise has begun. Bay Ferry V, scheduled for November 16-22, is hosted by Golden Gate Ferry in cooperation with USCG-Sector San Francisco and other local, state and federal first responders and emergency managers. The purpose of the exercise is to provide USCG-Sector San Francisco, operators of ferries and large passenger ships, first responders, as well as their state and federal partners, an opportunity to practice their response to a maritime complex, coordinated terrorist attack involving commuter ferries and other large passenger vessels that operate in San Francisco Bay. WETA will participate in several of the planned exercises and will be hosting a series of training sessions at our Central Bay Operations and Maintenance Facility. This exercise will count towards the USCG Vessel Mutual Aid Plan (VMAP) exercise requirement.
- Several emergency response training and exercises have been put on hold due to the COVID-19 pandemic, including WETA and the MTC's annual emergency response exercises and the Golden Eagle 2020 exercise. Staff hopes to resume work on these items as soon as possible.
- Response to COVID-19: WETA has partially activated its Emergency Operations Center in response to COVID-19 by staffing the Public Information Officer (PIO) and Liaison positions.
- Staff has submitted an application to request reimbursement from the Federal Emergency Management Agency (FEMA) for costs associated with electrostatic disinfecting of vessels and facilities and for the purchase of personal protective equipment. WETA has spent \$175,620 on these costs from late February through June 30. If approved, FEMA will reimburse WETA 75% of eligible costs. Staff plans to submit another application for reimbursement of COVID-19 related costs in the fall or winter.

OPERATIONS REPORT

Blue & Gold Fleet Contract Extension

At the March 19 meeting, the Board directed staff to develop a proposal for extending the Blue & Gold Fleet (Blue & Gold) operating contract due to expire in 2021, to maintain system operating continuity. Staff will continue to evaluate the contract and work with Blue & Gold to identify terms and bring an amendment to the Board in the coming months.

WETA Operations and COVID-19 Preventive Measures

Since March 17, WETA has offered limited Vallejo and Alameda/Oakland peak-period service to San Francisco on weekdays during the shelter-in-place orders. This included two morning and two afternoon trips between Vallejo and San Francisco and three morning and three afternoon trips between Alameda/Oakland and San Francisco. Staff has closely monitored ridership capacity to meet demand while adhering to social distancing guidelines. While ridership in Oakland and Alameda has recently declined, Vallejo has experienced a steady average increase of 26 percent on its peak trips between May and June. In response to increasing ridership levels, two additional peak-period morning and afternoon trips were added in Vallejo on June 15. Service was also resumed in Richmond on June 15 providing three morning and three afternoon peak-period trips between Richmond and the Ferry Building. No changes have been made to Alameda/Oakland service.

Crews and boats are rotated into service to maintain fleetwide operational readiness. In the North Bay and Central Bay, eight crews continue to operate the daily service. Stand-by crews remain onsite performing vessel and facility maintenance, training, and exercising with a focus

on vessel and crew regulatory compliance, cleaning, and maintaining operational availability for back-up service as needed.

WETA is committed to passenger safety and continues to follow local and state public health orders as they are released to prevent the spread of the virus and to ensure ridership confidence. In keeping with the recently adopted Passenger and Crew Safety Plan and Communications Campaign, passengers are required to wear protective masks or face coverings to ride the ferry and hand sanitizer is available on each vessel. Passengers are reminded through on-board messaging of the social distancing and personal protective equipment requirements. WETA has established passenger distancing measures on vessels with seat markers to identify available seating and seating that is not to be used. Additionally, to ensure social distancing requirements at all active ferry terminals in the system, markers have been placed in areas of passenger queuing to reflect the six-foot distance needed to safely board and disembark.

The health and safety of our crews is also a top priority. COVID-19 Prevention Guidelines for employees and the public are posted at each facility and on each vessel. Staff is closely monitoring local and state public health orders and making updates to its operational guidelines as applicable. Vessel crews are required to self-screen (including temperature checks) before reporting to work. All crews have been provided with personal protective equipment such as face masks and gloves. Crews are required to wear protective masks while on duty and are limiting the number of passengers onboard to maintain social distancing guidelines.

As part of the coordinated efforts to slow the spread of COVID-19, WETA's service contractor, Blue & Gold has implemented extensive vessel and terminal cleaning protocols with increased frequency with special attention to disinfecting all high-touch hard surfaces such as Clipper readers, handrails, arm rests, door handles, seat trays, stairwells, tabletops, restrooms, and all fixtures in the pilot house. Vessel fogging is administered at the end of each shift on in-service vessels.

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

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On June 10, Lauren Gularte participated in the California Transit Safety Coordination and Information Sharing meeting with other transit operators.

On June 11 and July 9, Lauren Gularte attended the monthly Harbor Safety Committee Meeting.

On June 12, Lauren Gularte attended the monthly regional Business Outreach Committee meeting.

On June 22, Nina Rannells participated in the Regional Fare Integration Task Force Meeting.

On June 22, Nina Rannells participated in the Clipper Executive Board meeting.

On July 7, Nina Rannells participated in MTC's Bay Area Partnership Board of Directors meeting.

On July 7 and 9, Kevin Connolly and Arthi Krubanandh presented a status report on South San Francisco ferry service to the San Mateo Transportation Authority Citizens Committee and full board, respectively.

On July 9, Nina Rannells participated as a panelist in a briefing hosted by the federal Maritime Administrator, Admiral Mark Buzby, focused on the readiness and resilience of the Marine Transportation System across the nation in light of the COVID-19 pandemic.

OTHER BUSINESS

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. The Court of Appeal held a hearing on May 26 for the two cases.

On June 29, 2020, the Court of Appeal issued its opinion in the two pending cases (Howard Jarvis Taxpayer Association and Randall Whitney) challenging the validity of RM3, the toll increase for the seven state owned Bay Area bridges that was approved by the voters in 2018 by a 55 percent majority. The Court unanimously affirmed the trial court's decision that such a toll is not a tax. The appellate court concluded that the RM3 toll increase falls within the California Constitution's exception from the definition of "tax" for "a charge imposed for entrance to or use of state property." The appellate court found that the Legislature, in passing Senate Bill 595, had the power to impose a regional toll increase conditional upon approval of the region's voters. The court determined that voter approval by a two-thirds majority vote did not apply. On July 8, 2020, the plaintiffs filed a petition for rehearing before the Court of Appeal, which the Court may grant in its discretion. After the Court of Appeal opinion becomes final, the plaintiffs could file a petition for review by the California Supreme Court, which is in the discretion of the Supreme Court to grant.

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, adopted in December 2019, that include a process for allowing projects to move forward before RM3 funds are available under a LONP. Staff is communicating with MTC to prepare to secure toll measure funds when they are available to support WETA's projects.

PROPSF California Public Utilities Commission Filing

On October 11, WETA filed a response to an application by PROPSF, LLC to amend its certificate of public convenience and necessity (CPCN) to allow PROPSF 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, PROPSF 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. PROPSF 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. PROPSF 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 submitted an opening brief on March 20, and a reply to PROPSF's opening brief on March 30. 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 May 2020

	Alameda/ Oakland	Harbor Bay †	Richmond †	South San Francisco †	Vallejo	Systemwide
Vs. last month	Total Passengers May 2020	1,675			2,855	4,530
	Total Passengers April 2020	1,139			2,692	3,831
	Percent change	47.06%			6.05%	18.25%
Vs. same month last year	Total Passengers May 2020	1,675			2,855	4,530
	Total Passengers May 2019	120,571	31,988	12,743	95,110	276,580
	Percent change	-98.61%	-100.00%	-100.00%	-97.00%	-98.36%
Vs. prior FY to date	Total Passengers Current FY To Date	1,002,446	246,657	157,520	773,612	2,284,033
	Total Passengers Last FY To Date	1,245,067	325,616	130,904	977,069	2,746,733
	Percent change	-19.49%	-24.25%	-20.71%	-20.82%	-20.61% *
Ops Stats	Avg Weekday Ridership May 2020	84			143	227
	Passengers Per Hour May 2020	19			18	18
	Revenue Hours May 2020	88			158	246
	Revenue Miles May 2020	1,268			4,899	6,167
	Farebox Recovery Year-To-Date	48%	42%	29%	52%	47%
	Cost per Available Seat Mile – May 2020	\$2.03			\$0.47	\$0.90
	Average peak hour utilization, AM – May 2020	3%			9%	6%
	Average peak hour utilization, PM – May 2020	4%			9%	7%
	Fuel Used (gallons) – May 2020	7,450			44,097	51,547
	Avg Cost per gallon – May 2020	\$1.55			\$1.24	\$1.28

* Systemwide percent change in boardings vs prior FY to date does not include Richmond.

† Service suspended on these routes due to COVID-19

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Thomas Hall, Public Information & Marketing Manager
Keith Stahnke, Operations & Maintenance Manager
Taylor Rutsch, Transportation Planner

SUBJECT: Monthly Ridership and Recovery Report

Recommendation

There is no recommendation associated with this informational item.

Background

As the state and region prepare to reopen, the return of ferry ridership is likely to follow the four “stages” identified by the Governor’s office. At the May meeting, staff presented an overview of what these stages could look like and how ferry service may be reintroduced to meet demand as it builds in a gradual manner through the course of the year. In early June, staff recommended a reinstatement of limited service at Richmond along with service enhancement in Vallejo. Starting Richmond service was in response to a request by the City’s Mayor while the enhancement in Vallejo was the result of staff analysis of ridership trends in that service, which was growing. The Board also adopted a Passenger and Crew Safety Plan that provides for intensive cleaning of vessels and protections for both crews and passengers.

The Ferry Service Recovery Plan states that ferry service will restart at minimum levels to match expected reduced demand, but how will WETA determine when to add more service as the economy recovers? As ridership builds, staff will rely on existing service performance policies as adopted by the Board in 2015. Those policies state that when ridership reaches a level of 80% of the available peak hour capacity, service can be enhanced by adding frequency or using larger vessels. There is also policy that guides the inverse trend when ridership is low, and demand appears to be weak. In those cases, WETA policy states that a minimum of 50% occupancy during the peak hour is necessary to maintain current service levels. Providing for social distancing, WETA’s current adjusted passenger capacity represents an approximate 75% reduction from the actual vessel seating capacity.

While existing policy can act as a guide, circumstances will demand flexibility to respond to fluctuations in ridership and demand. It may be possible that demand contracts in the coming year if shelter-in-place orders are restored. Staff and the Board have committed to closely monitoring local health orders and guidance, the economy, and ridership during the year in order to determine the best course of action in balancing limited resources.

Discussion

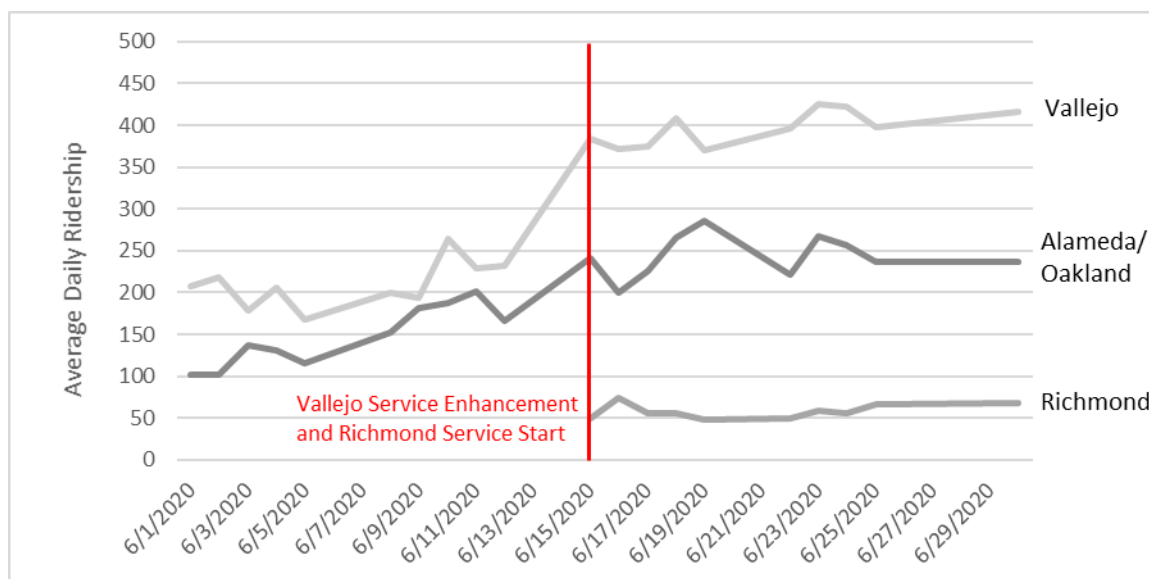
1. Ridership and Forecasting

Systemwide

Systemwide ridership totaled 11,834 in June, a 161% increase from May. However, after the initial increase in riders from the service enhancement, systemwide ridership has flattened over the past two weeks as COVID-19 cases across the Bay Area continue to increase.

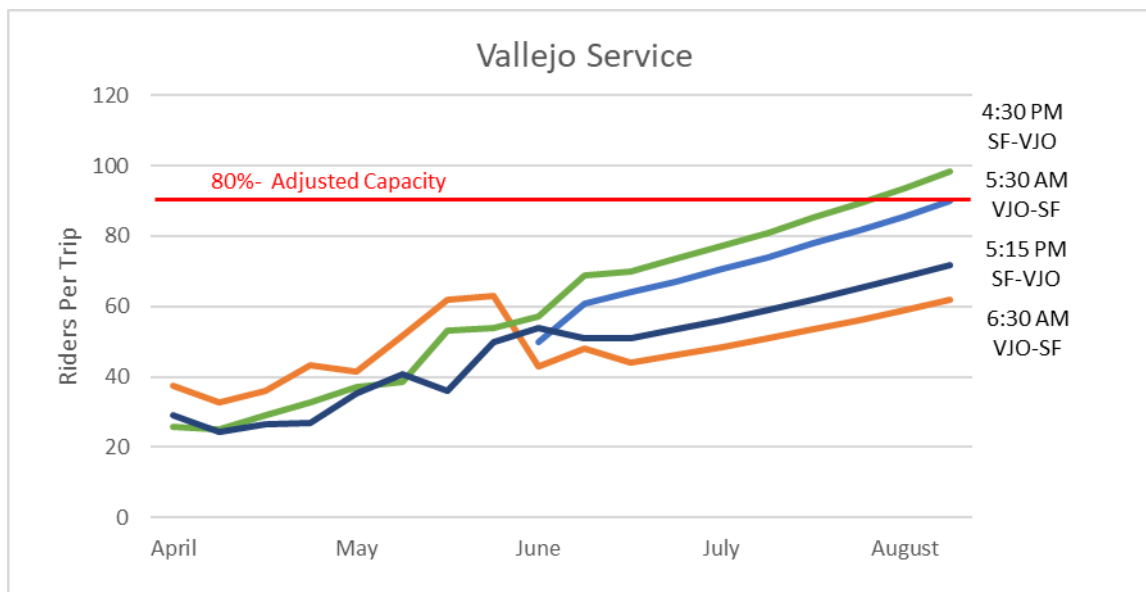
On June 15, Richmond service began, and the Vallejo service received a service enhancement. Daily ridership before the enhancement averaged 357 boardings. Following the enhancement, daily ridership averaged 688 boardings, a 93% increase.

The Alameda/Oakland service averaged 199 daily riders in June, a 161% increase from May. The Vallejo service averaged 308 daily riders during June, a 137% increase from May. Daily ridership averaged 390 boardings following the June 15 service enhancement, an 86% increase. The Richmond service has averaged 57 daily riders during June.



Vallejo

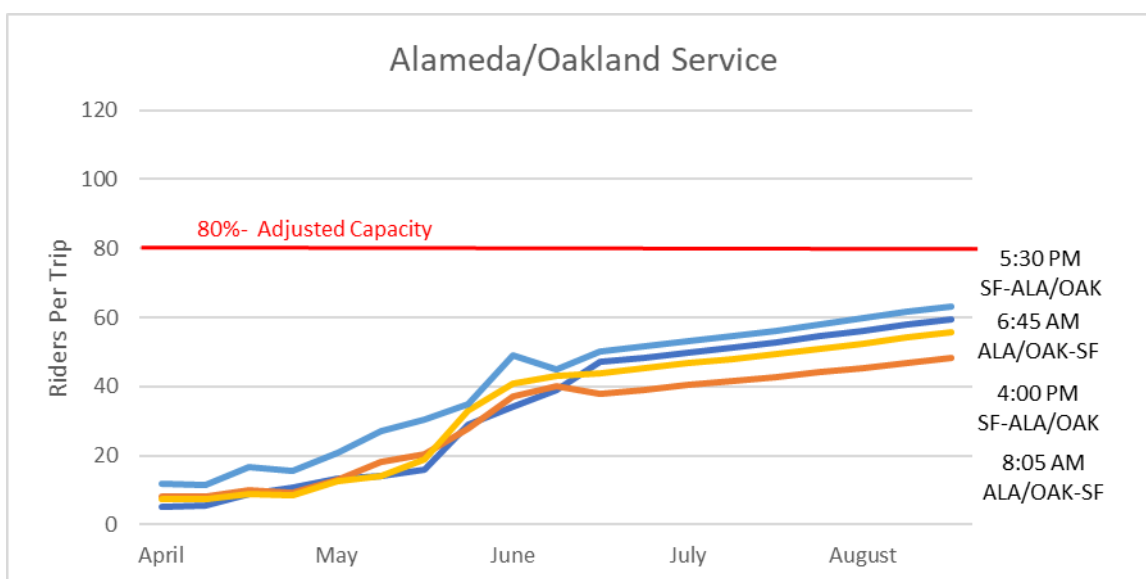
The June 15 service enhancement, which added a second vessel to the morning and evening peak periods, helped spread demand across additional peak trips in Vallejo, especially for the 6:30 a.m. departure, which was projected to reach capacity in mid-July. The 4:30 p.m. departure to Vallejo and 5:30 a.m. departure to San Francisco are now projected to reach the adjusted capacity threshold by mid-August. Vallejo ridership is projected to grow 5% weekly, based on its rolling ridership average.



*Adjusted capacity assumes the vessels will be limited to 25% capacity due to social distancing requirements

Alameda/Oakland

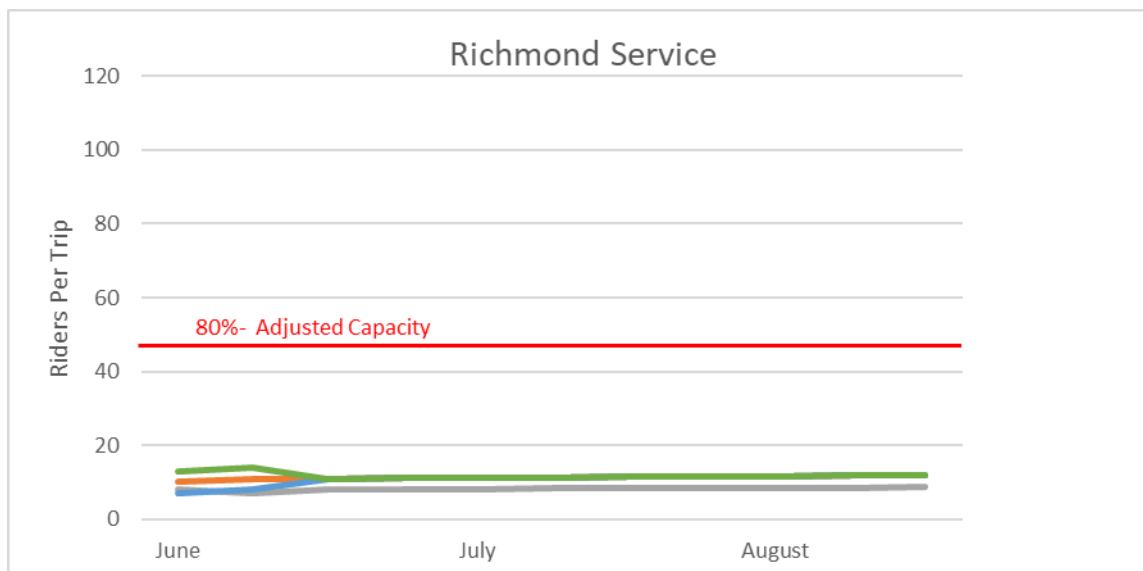
Based upon current ridership trends, none of the Alameda/Oakland service trips are at risk of reaching the adjusted capacity threshold in the next two months. Alameda/Oakland ridership is projected to grow 3% weekly, based on its rolling ridership average.



*Adjusted capacity assumes the vessels will be limited to 25% capacity due to social distancing requirements

Richmond

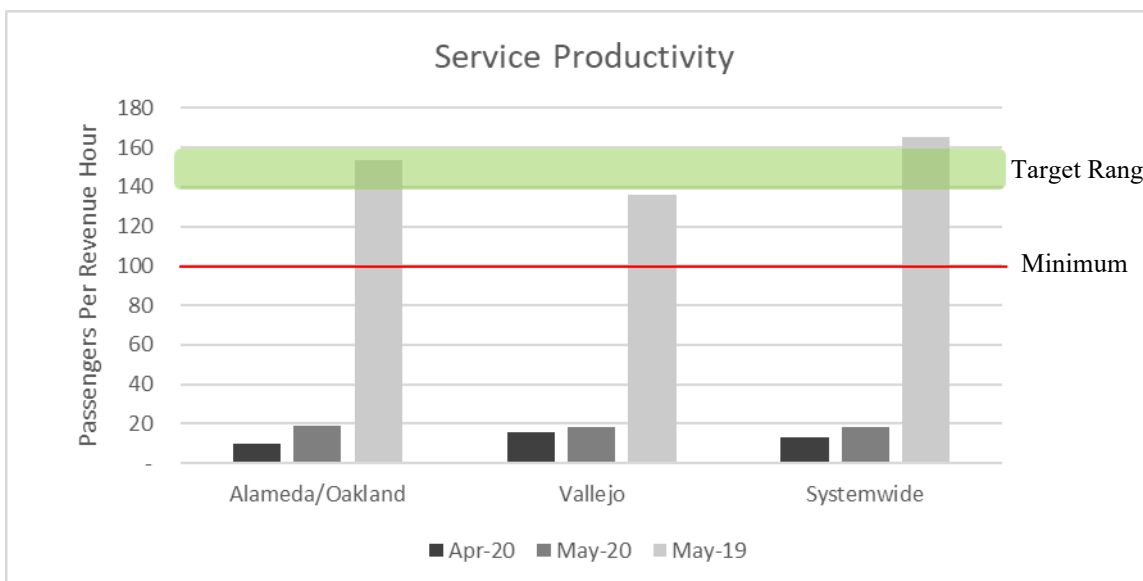
None of the Richmond service trips are at risk of reaching the adjusted capacity threshold in the next two months. Richmond ridership is projected to grow 1% weekly, based on its rolling ridership average.



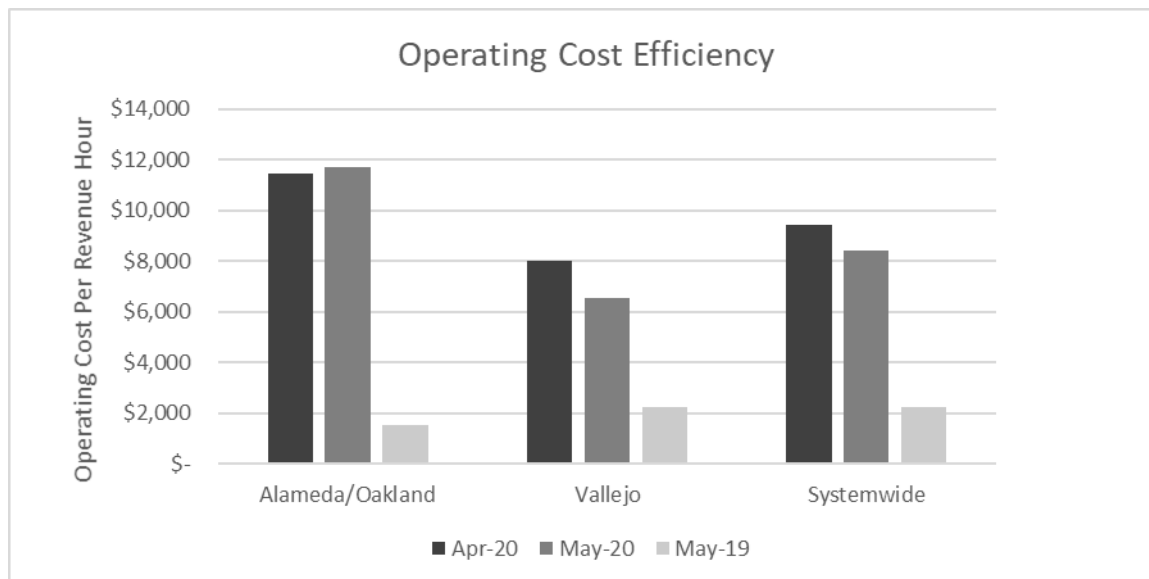
*Adjusted capacity assumes the vessels will be limited to 25% capacity due to social distancing requirements

2. Service Productivity and Efficiency

Systemwide passengers per revenue hour increased from 13 in April to 18 in May. It remains well below the board-established 100 passenger/hour minimum.



Systemwide operating cost per revenue hour decreased by 46% from April to May.



3. Passenger Input

Over two weeks in June and July 2020, WETA solicited passenger input via an online survey. The survey was completed by 820 people, most of whom were regular ferry passengers prior to the COVID-19 crisis. While this is not a scientifically valid survey due to the sample being self-selecting, staff did want to get a pulse of the ridership on several issues and finds the feedback valuable.

Among the input WETA received:

- While a significant share of respondents does not expect to return to their workplace for some time or do not know when they will return to their workplace, 92% said they intend to commute by ferry and 63% said they expect to commute at least three days per week.
- 89 percent of respondents indicated they felt comfortable about their ability to remain healthy when commuting by ferry after being given a brief description of San Francisco Bay Ferry's Passenger and Crew Safety Plan. This finding will influence how we market the return to service in the coming months.
- Passengers indicated that they felt comfortable with the ferry being filled up to 50% of normal capacity.
- Passengers indicated that the enforcement of mask requirements, social distancing, and ventilation were top safety concerns. This finding will be used to reinforce the importance of the safety plan on an operational level with captains and deckhands.

Based on the results of the passenger input effort, WETA staff will review its current messaging to passengers and develop additional methods to share information of interest to passengers in order to help them feel safe on board the ferry and to draw additional passengers in the coming months.

4. Regional Context

Over the last 14 days California had 86,331 new COVID-19 cases, a 50% increase from the previous two weeks. The Bay Area also had a significant amount of new cases. In many counties, plans to move into advanced phases of Stage 2 have been halted and even reversed, as county health officials have raised concern about increasing infection and hospitalization rates. The table below shows how each of WETA's service areas are impacted.

County	14-Day Change Total (Positive Cases)	14-Day Change % (Positive Cases)
Alameda	1979	42%
Contra Costa	1352	61%
San Francisco	862	29%
San Mateo	777	28%
Solano	764	97%

As the economy began to reopen in June, transit ridership and traffic began to return. The table below shows WETA's ridership growth during that time compared with BART ridership and traffic counts from the seven state-owned bridges in the Bay Area. WETA had the highest growth percentage of the three. BART added capacity on the Concord line during this period, based on passenger crowding on trains.

Agency	% increase in ridership/traffic May to June 2020
WETA	18%
BART	17%
BATA Bridges (7-total)	14%

5. Outlook and Recommendations

The system saw strong ridership growth in early June as the economy began to re-open. Riders also responded positively to the June 15 service enhancement in Vallejo, which resulted in significant growth for that service and alleviated existing capacity trends. However, as cases of COVID-19 have risen sharply in the past two weeks, WETA's ridership has stagnated toward the latter half of June and early July.

Provided trends stay as they are in Vallejo, that service may require another capacity enhancement in August to avoid going over the adjusted occupancy threshold.

The Richmond service is not in danger of reaching capacity limits and has thus far not attracted many riders. Upcoming marketing efforts may improve the ridership performance in Richmond. There is no need to consider additional enhancements for Richmond at this time or within the next month.

The Alameda/Oakland service was scheduled to receive a significant enhancement with the opening of the Seaplane Lagoon terminal in early August. However, given current ridership levels and trends, there does not appear to be ridership demand to warrant enhancement on the Alameda or Oakland service at this time. Staff recommends deferring the start of Seaplane Lagoon service until late August or early September to allow more time for current trends with the spread of the virus and the lack of commuting demand to improve. Staff is in regular communication with the City of Alameda staff about the ridership and service plans and will work with them to coordinate this effort.

Given the poor performance in Richmond along with Alameda and Oakland, staff recommends not starting commute-oriented services in Harbor Bay and South San Francisco. Also, the growing infection and hospitalization rates and county-led orders to halt planned openings in the economy support the idea that commute-oriented services may not be warranted until September at the earliest.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Monthly Review of FY 2019/20 Financial Statements for Eleven Months Ending May 31, 2020

Recommendation

There is no recommendation associated with this informational item.

Summary

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

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenues	\$20,175,477	\$20,433,332	\$16,975,557
Federal - CARES Act	-	-	2,347,713
Bridge Toll Revenues	16,731,066	18,451,917	16,739,030
Contra Costa Measure J	1,063,859	2,756,833	2,140,524
Alameda Measure B/BB	-	-	500,000
Other Revenues	17,660	609,500	72,370
Total Operating Revenues	\$37,988,062	\$42,251,583	\$38,775,194
Expenses - Year To Date:			
Planning & Administration	\$2,107,938	\$2,500,000	\$2,471,018
Ferry Services	35,880,123	39,751,583	36,304,176
Total Operations Expenses	\$37,988,062	\$42,251,583	\$38,775,194
System-Wide Farebox Recovery %	56%	51%	47%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2019/20 Budget
Revenues:		
Federal Funds	\$17,050,649	
State Funds	15,601,490	
Bridge Toll Revenues	6,585,031	
Other Revenues	907,830	
Total Capital Revenues	\$40,145,000	53.66%
Expenses:		
Total Capital Expenses	\$40,145,000	53.66%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

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San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Eleven Months Ending 5/31/2020

% of Year Elapsed 83%

		Year - To - Date			Total	% of
	May-20	FY2018/19	FY2019/20	FY2019/20	FY2019/20	Total
	Actual	Actual	Budget	Actual	Budget	Budget
OPERATING EXPENSES						
PLANNING & GENERAL ADMIN:						
Wages and Fringe Benefits	\$192,717	\$1,166,176	\$1,257,417	\$1,917,458	\$1,508,900	127.1%
Services	113,057	926,176	1,474,083	1,047,299	1,768,900	59.2%
Materials and Supplies	(718)	107,251	52,000	8,785	62,400	14.1%
Utilities	3,316	38,080	42,917	41,037	51,500	79.7%
Insurance	-	1,200	23,833	1,046	28,600	3.7%
Miscellaneous	(272)	205,233	91,333	46,331	109,600	42.3%
Leases and Rentals	32,705	352,265	321,000	357,218	385,200	92.7%
Admin Overhead Expense Transfer	(92,122)	(688,443)	(762,583)	(948,156)	(915,100)	103.6%
Sub-Total Planning & Gen Admin	\$248,684	\$2,107,938	\$2,500,000	\$2,471,018	\$3,000,000	82.4%
FERRY OPERATIONS:						
Harbor Bay FerryService (AHBF)						
Purchased Transportation	\$13,799	\$2,272,213	\$2,108,250	\$1,756,635	\$2,529,900	69.4%
Fuel - Diesel & Urea	-	461,176	463,750	394,079	556,500	70.8%
Other Direct Operating Expenses	18,218	496,427	657,500	427,367	789,000	54.2%
Admin Overhead Expense Transfer	-	83,798	84,083	84,240	100,900	83.5%
Total Harbor Bay	\$32,017	\$3,313,613	\$3,313,583	\$2,662,321	\$3,976,300	67.0%
Farebox Recovery - AHBF	0%	46%	45%	42%	45%	
Alameda/Oakland Ferry Service (AOFS)						
Purchased Transportation	\$821,055	\$8,288,221	\$7,990,417	\$8,613,011	\$9,588,500	89.8%
Fuel - Diesel & Urea	11,565	1,747,952	1,798,500	1,437,265	2,158,200	66.6%
Other Direct Operating Expenses	151,473	1,739,728	2,300,083	1,783,047	2,760,100	64.6%
Admin Overhead Expense Transfer	46,075	300,566	341,333	434,159	409,600	106.0%
Total Alameda/Oakland	\$1,030,168	\$12,076,467	\$12,430,333	\$12,267,481	\$14,916,400	82.2%
Farebox Recovery - AOFS	1%	58%	57%	48%	57%	
Vallejo FerryService (Vallejo)						
Purchased Transportation	\$764,720	\$9,764,099	\$9,889,833	\$10,105,757	\$11,867,800	85.2%
Fuel - Diesel & Urea	54,609	4,642,743	5,277,167	3,791,378	6,332,600	59.9%
Other Direct Operating Expenses	169,925	1,423,138	2,047,000	1,832,126	2,456,400	74.6%
Admin Overhead Expense Transfer	46,047	251,161	257,667	350,265	309,200	113.3%
Total Vallejo	\$1,035,302	\$16,081,141	\$17,471,667	\$16,079,526	\$20,966,000	76.7%
Farebox Recovery - Vallejo	1%	64%	57%	52%	57%	
South San Francisco FerryService (SSF)						
Purchased Transportation	\$0	\$2,189,470	\$2,004,917	\$1,583,181	\$2,405,900	65.8%
Fuel - Diesel & Urea	-	346,224	372,750	278,888	447,300	62.3%
Other Direct Operating Expenses	30,780	379,685	413,083	363,081	495,700	73.2%
Admin Overhead Expense Transfer	-	43,484	36,417	37,060	43,700	84.8%
Total South San Francisco	\$30,780	\$2,958,863	\$2,827,167	\$2,262,211	\$3,392,600	66.7%
Farebox Recovery - SSF	0%	33%	35%	34%	35%	
Richmond FerryService (Richmond)						
Purchased Transportation	\$0	\$1,117,290	\$2,840,667	\$2,226,306	\$3,408,800	65.3%
Fuel - Diesel & Urea	-	180,093	460,333	353,184	552,400	63.9%
Other Direct Operating Expenses	40,993	143,222	364,750	410,715	437,700	93.8%
Admin Overhead Expense Transfer	-	9,434	43,083	42,432	51,700	82.1%
Total Richmond	\$40,993	\$1,450,039	\$3,708,833	\$3,032,637	\$4,450,600	68.1%
Farebox Recovery - Richmond	0%	27%	26%	29%	26%	
Sub-Total Ferry Operations	\$2,169,259	\$35,880,123	\$39,751,583	\$36,304,176	\$47,701,900	76.1%
Farebox Recovery - Systemwide	1%	56%	51%	47%	51%	
Total Operating Expenses	\$2,417,943	\$37,988,062	\$42,251,583	\$38,775,194	\$50,701,900	76.5%
OPERATING REVENUES						
Fare Revenue ¹	\$24,106	\$20,175,477	\$20,433,332	\$16,975,557	\$24,520,000	69.2%
Federal Operating Assistance	1,299,922	-	-	3,099,597	-	0.0%
Regional - Bridge Toll	1,052,921	16,731,066	18,451,917	15,987,146	22,142,300	72.2%
Regional - Contra Costa Measure J	40,993	1,063,859	2,756,833	2,140,524	3,308,200	64.7%
Regional - Alameda Measure B/BB	-	-	-	500,000	-	0.0%
Regional - Alameda Tax & Assessment	-	-	606,667	45,901	728,000	6.3%
Other Revenue	-	17,660	2,833	26,470	3,400	0.0%
Total Operating Revenues	\$2,417,943	\$37,988,062	\$42,251,583	\$38,775,194	\$50,701,900	76.5%

¹ This month's total Fare Revenue of \$24,106 is a decrease of \$1,914,073 (99%) when compared to May 2019's revenue.

San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Eleven Months Ending 5/31/2020

Project Description	May-20 Total	Total Project Budget	Total Prior Expense	Total FY2019/20 Budget	Total FY2019/20 Expense	Total Future Year	% of Total Project Budget Spent
CAPITAL EXPENSES:							
<u>FACILITIES:</u>							
Terminal Construction							
Downtown Ferry Terminal Expansion - South Basin	\$104,387	\$97,965,000	\$78,915,751	\$19,049,249	\$15,826,502	\$0	97%
Maintenance and Operations Facilities							
Ron Cowan Central Bay Operations & Maintenance Facility	3,467	69,500,000	63,197,399	6,302,601	1,005,534	-	92%
Terminal Improvement							
Install Mooring Piles - Harbor Bay Terminal	2,424	251,500	-	251,500	39,379	-	16%
Terminal Signage and Wayfinding - East Bay Terminals	-	135,000	-	135,000	-	-	0%
<u>FERRY VESSELS:</u>							
Vessel Construction							
445-Pax Expansion (Waterjet) Vessels - 2 vessels	4,013	46,745,000	28,771,355	17,973,645	13,793,013	-	91%
400-Pax Expansion (Propeller) Vessels - 2 vessels	-	33,400,000	32,943,928	456,072	-	-	99%
New Commuter Class High-Speed Vessels - 2 vessels	1,258,203	30,082,500	7,421,609	7,878,391	4,320,250	14,782,500	39%
Vessel Replacement - M/V Solano and MV Bay Breeze	25,063	34,600,000	145,099	16,000,901	104,425	18,454,000	1%
Vessel Rehabilitation and Refurbishment							
Vessel Engine Overhaul - M/V Intintoli and M/V Mare Island	-	3,000,000	877,961	2,122,039	1,333,382	-	74%
Vessel Qtr-Life Refurbishment - M/V Scorpio	-	3,005,350	70,062	2,935,288	2,862,784	-	98%
Vessel Engine Overhaul - M/V Taurus	-	800,000	198,928	601,072	251,334	-	56%
Vessel Engine Overhaul - M/V Argo and M/V Carina	-	240,000	-	240,000	125,632	-	52%
Vessel Engine Overhaul - M/V Gemini	202,049	515,350	-	515,350	454,641	-	88%
Vessel Engine Overhaul - M/V Pyxis	-	170,000	-	170,000	-	-	0%
<u>CAPITAL EQUIPMENT / OTHER:</u>							
Purchase Service Vehicles	-	185,000	-	185,000	28,125	-	15%
Total Capital Expenses	\$1,599,606	\$320,594,700	\$212,542,090	\$74,816,110	\$40,145,000	\$33,236,500	
CAPITAL REVENUES:							
Federal Funds	\$181,690	\$62,810,843	\$22,485,494	\$33,068,849	\$17,050,649	\$7,256,500	63%
State Funds	894,123	195,739,257	151,568,893	31,375,649	15,601,490	12,794,715	85%
Regional - Bridge Toll	516,356	47,127,980	37,593,689	8,732,479	6,585,031	801,812	94%
Regional - Alameda Sales Tax Measure B / BB	5,013	2,201,070	14,014	1,032,633	588,451	1,154,423	27%
Regional - Alameda TIF / LLAD / HBBPA	2,424	386,500	-	386,500	39,379	-	10%
Regional - San Francisco Sales Tax Prop K	-	1,100,000	880,000	220,000	280,000	-	105%
Other - Proceeds from Sale of End-of-Life Vessels	-	11,229,050	-	-	-	11,229,050	0%
Total Capital Revenues	\$1,599,606	\$320,594,700	\$212,542,090	\$74,816,110	\$40,145,000	\$33,236,500	

TO: WETA Board Members

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

SUBJECT: WETA Federal Legislative Board Report – July 2020

It was another busy month in Congress; therefore, this report is longer than usual. This report covers the following topics:

1. Surface Transportation Reauthorization / Infrastructure Bill
 - a. Funding for WETA – FTA and FHWA Funding
 - b. Report on Infrastructure Needs of Public Ferry Systems
 - c. Climate Change Provisions / Clean Ferries / What Other Ferry Systems Are Doing
 - d. Big Hurdle: How to Pay for Surface Transportation Reauthorization / Infrastructure Bill
2. Update on COVID Legislation / Outlook for Additional Emergency Transit Funding

Surface Transportation Reauthorization / Infrastructure Bill

The House Transportation and Infrastructure (T&I) Committee took up and passed the *INVEST in America Act* (H.R. 2) on June 18. This bill, which provides funding for transit, highway, bridge, rail, freight, and intermodal projects, includes provisions related to project permitting and transportation safety, serves as the committee's surface transportation reauthorization bill, and would replace the FAST Act, which expires on September 30.

Shortly after the T&I Committee took up and passed the *INVEST in America Act*, the bill was combined with provisions that provide funding for other aspects of the infrastructure economy, including dredging and jetty maintenance, airports, wastewater infrastructure, environmental restoration, broadband deployment, grid modernization, brownfield clean-up, energy efficiency, and housing, schools, and hospitals, among other things. This larger infrastructure bill was given the same bill number as the *INVEST in America Act* surface transportation bill that was taken up and passed by the T&I Committee (H.R. 2) and was renamed the *Moving Forward Act*. The *Moving Forward Act*, which includes a total of \$1.5 trillion in spending, was subsequently taken up and passed by the full House of Representative on July 1.

Funding for WETA – FTA and FHWA Funding

Due to our persistent lobbying campaign over the past few years, the surface transportation bill (and therefore, the House comprehensive infrastructure bill):

1. Increases funding for the Federal Highway Administration (FHWA) ferry formula program from \$80 million per year to \$120 million per year; and
2. More than doubles funding for the Federal Transit Administration (FTA) discretionary grant program. Funding for the FTA program is increased as follows:

- FY22: \$60,906,000
- FY23: \$61,856,134
- FY24: \$62,845,832
- FY25: \$63,832,511

Note that Congressman John Garamendi made an attempt to increase funding for the FTA and FHWA ferry programs even further – he offered amendments during T&I Committee consideration of the surface transportation bill that would increase funding for the FTA program to \$90 million per year and increase funding for the FHWA program to \$160 million per year. He ultimately withdrew his amendments in response to questions about the need for the additional funding (more on this below).

Report on Infrastructure Needs of Public Ferry Systems

The *INVEST in America Act* surface transportation bill initially contained a provision directing DOT to include ferry systems in the Conditions and Performance report the agency releases every two years which provides an overview of the physical conditions, operational performance, and investment trends of transportation systems around the country. The Public Ferry Coalition (which was first established by several of us representing public ferry systems in Washington, D.C. and which is still managed by WETA and Washington State's DC representatives) pushed for this provision so that we have data to point to during the next reauthorization bill to justify any additional funding we may ask for at that time. While the provision was stripped in response to concerns from DOT (about the agency's ability to conduct the review with existing resources), a provision requiring the Government Accountability Office (GAO) to conduct a similar review was added on the House floor, during debate on the *Moving Forward Act* comprehensive infrastructure bill.

Note that part of the reason that Congressman Garamendi pulled his amendments – which would have further increased funding for the FTA and FHWA ferry programs – is because he was pushed to justify the need for additional funding. While members of the public ferry coalition had put together a paper detailing infrastructure needs several months ago (at the request of T&I Committee staff), the lack of an independent assessment (such as would be provided by DOT or GAO) undermined his efforts.

Climate Change Provisions / Clean Ferries / What Other Ferry Systems are Doing

The *INVEST in America Act* surface transportation bill, and therefore the *Moving Forward Act* comprehensive infrastructure bill, has a large focus on addressing climate change. To that end, the legislation creates the Community Climate Innovation Grant program, a new \$250 million program for transit projects that contribute to reduction in greenhouse gas emissions. The bill also makes money available for grants for low or zero-emission ferries to support efforts by a number of public ferry systems around the country to put such ferries into service.

Here is a run-down of what various public ferry systems are doing on this front:

- Casco Bay Lines (Maine) is moving towards board approval of a new ferry with a diesel-electric hybrid propulsion system that would replace their car/passenger ferry serving Peaks island.
- Islesboro Ferry (Maine) will be putting out an RFP in March of 2021 for the design of an all-electric ferry. The construction bid is slated to go out in July 2024.

- The North Carolina DOT Ferry Division had its first diesel/electric hybrid vessel built last year and will receive two more by March 2021.
- Washington State Ferries is exploring the use of fully electric or hybrid propulsion systems.

Big Hurdle: How to Pay for Surface Transportation Reauthorization / Infrastructure Bill

The *Moving Forward Act* comprehensive infrastructure bill is almost certainly not going to be signed into law in its current form – there is little appetite for taking up such a wide-ranging infrastructure bill in the Senate at the moment. However, Senate Environment and Public Works (EPW) Committee leaders are pushing to put their own surface transportation bill on the floor in the coming weeks. If the Senate is able to pass its surface transportation bill, the House surface transportation bill could be extracted from the *Moving Forward Act*, and House and Senate leaders could come together in a conference committee to reconcile differences between the two surface transportation bills.

With that being said, Congress can't send a final surface transportation bill to the President until they find a way to pay for it. The House surface transportation bill is largely paid for through a transfer from the General Fund (i.e. deficit spending), which faces strong resistance from fiscal conservatives, and neither party has been particularly excited about raising taxes to pay for new surface transportation infrastructure. As a result, Congress is likely to extend the current surface transportation authorization (FAST Act) beyond the September 30 expiration date. While there is a chance that Congress could pass a new surface transportation bill during a lame duck session of Congress in December, the debate will most likely get punted to 2021, at which point the *INVEST in America Act* (the House surface transportation bill with the additional funding for ferries) will likely be the starting point in the House.

Update on COVID Legislation / Outlook for Additional Emergency Transit Funding

There seems to be agreement that Congress should take up another COVID bill to respond to the economic and health care crisis created by the COVID-19 pandemic, although House and Senate leaders continue to disagree on the amount of funding that is needed and what should be included in any final bill sent to the President. As previously reported, the House-passed Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act provides \$3 trillion for states, counties, cities, tribes, companies, and health care providers to cover costs associated with the pandemic, replace lost revenue, and otherwise keep the economy afloat. Senate leaders, who don't plan to take up their bill until later in July, have indicated they are looking to take up a bill that includes closer to \$1 trillion in financial support. The White House is reportedly assembling a proposal that would provide between \$1 trillion and \$2 trillion and focus more on stimulus (think infrastructure, broadband, water infrastructure) and less on COVID response.

We are working with other transit organizations to push for emergency funding for transit in the Senate bill. While HEROES Act provides \$15.75 billion for operating assistance grants to transit agencies, there has not been any indication as to whether the Senate bill will contain such funding.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger



NOSSAMAN LLP | Memorandum

TO: WETA Board of Directors

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

DATE: July 9, 2020

RE: June 2020 - Legislative Update

COVID-19 Legislative Update

This week it was confirmed that two Assemblymembers (Autumn Burke (LA) and Tom Lackey (Palmdale)) and a few Assembly staff have contracted COVID-19. Combined with the fact that California's COVID-19 numbers are increasing, the Assembly and Senate have temporarily delayed the remainder of the 2020 legislative session that was supposed to reconvene on July 13. It is expected that they will re-start in late-July. We will keep you informed as information becomes available.

CA Transit Association Funding Request - \$3.1 Billion

On June 29, the CA Transit Association submitted a letter, provided as **Attachment A**, to the Governor and Legislative Leaders asking for \$3.1 billion in additional state / federal funding in addition to the CARES Act funding already received.

Letter excerpt: "This emergency funding would address critical funding needs at transit agencies statewide, to prevent devastating permanent reductions of transit services and ensure public transportation is still a viable option for communities most in need."

CA Without Transit PR Campaign: The Transit Association also launched a PR campaign to inform lawmakers about COVID-19 funding impacts to transit agencies and to support the \$3.1 billion request: <https://caltransit.org/advocacy/lawmakers-must-act-to-save-local-public-transit/> - see attached Bay Area Fact Sheet

State Budget Update

On June 15 the legislature approved the main budget bill and on June 26 they approved the budget trailer bill containing reforms for transit operators.

AB 90 – budget trailer bill overview:

- Institutes a hold harmless provision for calculation and allocation of State Transit Assistance Program, Low Carbon Transit Operations Program, and STA-State of Good Repair allocations (Local Revenue Basis Only);
- Temporarily suspends the financial penalties associated with the Transportation Development Act's requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares; and,
- Temporarily suspends the financial penalties associated with the State Transit Assistance Program's requirement that transit agencies' operating cost per revenue

vehicle hour may not exceed operating cost per revenue vehicle hour adjusted by regional CPI, year over year.

1. Two-Year Hold Harmless Provision for Transit Operators.

Institutes a two-year hold harmless provision for the calculation and allocation of the individual transit agency factors the State Controller makes to allocate 50% of revenues flowing through the State Transit Assistance Program, the STA-based State of Good Repair Program and the Low Carbon Transit Operations Program, all programs that rely on calculations of "Local Revenue" earned by transit operators.

2. Temporary Suspension of Financial Penalties for Transit Operators.

Prohibits the imposition of a penalty for the allocation of funding from the State Transit Assistance Program if an operator does not maintain the required ratio of fare revenues to operating cost during the 2019-20 and 2020-21 fiscal year. Also, for 2020-21 and 2021-22 temporarily eliminates financial penalties for transit operators for non-compliance with specified efficiency standards.

Main budget bill overview:

Approves the May Revision funding estimate of a reduction in fuel tax revenues of \$1.8 billion through 2024-25 (with most of the reduction in 2019-20 and 2020-21).

Rejects the May Revision proposal to transfer \$130.5 million in interest earnings from the State Highway Account (SHA) to the General Fund.

Approves the May Revision proposal to transfer \$32 million from the Traffic Congestion Relief Fund to the General Fund.

Cap and Trade Program

Defers action on the \$965 million Cap and Trade Expenditure plan proposed in the January budget and Control Section 15.14. Provides \$133.7 million for ongoing state operations of Cap and Trade Programs.

2020 Legislative Watch

Several bills were introduced in February that would have impacted WETA; however, many of them will not be moving forward this year because of bill limitations due to COVID-19. Two bills that are currently moving forward that could have an impact on WETA are described below.

SB 288 (Wiener) - WETA was able to work with Senator Wiener's office on Senate Bill 288 to ensure that ferry stops were included in the bill's CEQA streamlining provisions.

- CEQA includes exemptions from its environmental review requirements for numerous categories of projects, including, among others, projects for the institution or increase of passenger or commuter services on rail or highway rights-of-way already in use and projects for the institution or increase of passenger or commuter service on high-occupancy vehicle lanes already in use, as specified.
- SB 288 would revise and recast the above-described exemptions and further exempt from the requirements of CEQA certain projects for the institution or increase of bus

rapid transit and regional rail services on public rail or highway rights of way, as specified:

- The construction of new bus rapid transit, bus, or light rail stations or ferry stops located on existing public rights of way, existing highway rights of way, or public marinas, whether or not the right of way or marina is presently used for public mass transit or ferry service.

AB 1350 (Gonzalez) – This bill 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.

- Passed the Assembly 75-0 in January. Pending referral in the Senate. May or may not be set for a hearing in July due to COVID-19.



Connecting us.

June 29, 2020

The Honorable Gavin Newsom, Governor
State of California
State Capitol, Suite 1173
Sacramento, CA 95814

The Honorable Toni Atkins, President pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon, Speaker
California State Assembly
State Capitol, Room 209
Sacramento, CA 95814

Governor Newsom, President pro Tem Atkins, and Speaker Rendon:

On behalf of the member agencies of the California Transit Association and the millions of Californians who still rely on public transportation right now, I write to you today to thank you for your leadership in providing transit agencies with temporary statutory relief in the June budget. These relief measures are critical to ensuring transit agencies can apply the state funding they already receive toward maintaining transit service as they confront the public health crisis.

Now, as you consider over the coming months the appropriateness of additional budget actions to support critical sectors, we urge you to provide new emergency funding to California's transit agencies to help address their funding shortfall of more than \$3.1 billion.

This emergency funding would address critical funding needs at transit agencies statewide, to prevent devastating permanent reductions of transit services and ensure public transportation is still a viable option for communities most in need.

Since the passage of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act, which we had hoped would suffice, the funding outlook for public transit has clarified and only become more worrisome. We had long considered that a second wave of negative impacts would come crashing down on transit agencies when sales tax revenues plummeted, because of the slowing economy. That said, we did not anticipate the size and severity of this second wave. Our most recent analysis shows that the funding shortfall faced by transit agencies statewide now exceeds \$3.1 billion. The combined need in Los Angeles and the Bay Area alone is \$3.1 billion, underscoring the particularly dire funding picture in the urban regions of the state whose transit agencies have historically served the most riders.

The emergency funding we are now urging you to provide would address the remaining needs for transit agencies after fully accounting for the investments already made in CARES Act funding, which were intended only to blunt the worst and most immediate impacts of the COVID-19 pandemic. This additional funding is essential to preventing significant and permanent reductions in transit services that would adversely impact communities throughout the state. Without additional funding, it could take years for public transit to recover from today's crisis,

resulting in the elimination of important mobility options for millions of Californians and the unnecessary delay of California's economic recovery.

With that funding, California's public transit agencies would be able to continue to provide critical transportation options to the millions of healthcare, public safety, grocery store, and restaurant workers classified as essential workers during the COVID-19 pandemic. Data shows that these workers – specifically, those riding public transit today – are overwhelmingly low-income and/or people of color who lack access to other mobility options.

Please know that while we are submitting this request to you today, **we are also aggressively advocating for another round of emergency funding from the federal government.** We see promise in the recently introduced Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act and the Investing in a New Vision for the Environment and Surface Transportation in America (INVEST) Act, which would each provide new emergency funding for public transportation; however, as you know well, action at the federal level is far from assured.

By virtue of who is riding public transportation today, the adverse impacts of reducing transit services, if additional emergency funding is not forthcoming, will be borne disproportionately by women and minority, low-income, senior and disabled communities, putting further strain on California's most vulnerable populations already suffering the brunt of this crisis. That would be untenable.

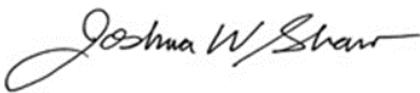
We, of course, understand there are serious and competing needs for limited state resources. We greatly appreciate the early actions you took to help secure funding for transit agencies through the CARES Act. That funding provided much-needed short-term relief to transit agencies to backfill passenger fare revenue losses and to cover increased operating expenses related to the public health crisis. That funding explicitly recognized that many agencies had experienced ridership declines of nearly 90%, which in turn drastically reduced farebox revenue. That funding also recognized that transit agencies had intensified cleaning protocols for stations and vehicles, increased purchases of personal protective equipment and cleaning supplies for staff, and in many cases, had foregone fare collection to limit contact between vehicle operators and riders.

However, please consider that additional funding to ensure transit agencies can continue to provide service is critical to a balanced economic recovery, to our quality of life and to achieving our state's ambitious environmental goals. We, therefore, respectfully ask the Governor and Legislature to prioritize funding for public transit as we work to maintain and eventually grow essential lifeline services in our communities.

Again, without additional emergency funding, transit agencies will have to take steps to further curtail service, delay critical capital projects and halt procurements, resulting in lasting impacts to California.

If you have any questions about this request, please me at 916-893-9299. Thank you for your consideration.
Contact

Sincerely,



Joshua W. Shaw
Executive Director

cc: The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee
The Honorable Jim Beall, Chair, Senate Transportation Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
The Honorable Jim Frazier, Chair, Assembly Transportation Committee
David Kim, Secretary, California State Transportation Agency



Bay Area Transit in Crisis: Bay Area's Public Transit Services Face Existential Crisis in Coming Months Due to COVID-19



Bay Area Transit Agencies Already Feeling Impacts

The recently signed federal relief package provides much needed immediate funding for local transit agencies that will help mitigate the worst impacts of COVID-19 in the near term. But these funds only stopped the immediate bleeding — they will likely not stabilize transit over the long-term. It may become imperative that the state support agencies further in the coming months with new funds to keep the doors open and the trains running through the hard times to come. Transit agencies across the Bay Area are already suspending or dramatically curtailing services due to the coronavirus. These cuts could become permanent without state action.



CURRENT RIDERSHIP DECLINE: ▼ 98%

CURRENT WEEKLY REVENUE DECLINE: ▼ \$2 million

ESTIMATED FINANCIAL IMPACT:

- With no other dedicated source of funding, Caltrain relies on fares to cover 70% of operating costs. Facing **\$7.3 million** of losses as of 4/15.

REDUCTIONS IN SERVICE:

- Reducing daily trains to 42 trains per day, down from 92, 54% reduction in services.
- Operating all local weekday service.
- Suspended "Baby Bullet Express" and "Limited Express" service.



CURRENT RIDERSHIP DECLINE: ▼ 94%

CURRENT WEEKLY REVENUE DECLINE: ▼ \$9 million

ESTIMATED FINANCIAL IMPACT:

Potential operating budget loss of between **\$228 million and \$423 million** as of 4/23. Expecting **-\$173.5 million** shortfall through end of current fiscal year.

REDUCTIONS IN SERVICE:

- As of 4/8, Monday-Friday service will run every 30 minutes systemwide all day. Every other train is being canceled Monday-Friday, a 50% reduction in service.
- Considering eliminating Sunday services.
- Eliminated extra commuter trains on Antioch-SFO line until further notice, necessitating emergency bus service.

For more information, visit:

caltransit.org/resources/coronavirus-awareness

Bay Area Transit in Crisis

Continued



CURRENT RIDERSHIP DECLINE: ▼ 93%

CURRENT WEEKLY REVENUE DECLINE: ▼ \$10.3 million

ESTIMATED FINANCIAL IMPACT: Expected to lose \$180 - \$260 million through June 30.

REDUCTIONS IN SERVICE:

- Eliminated all but 17 “core” routes in the service area.
- 5 Bus lines will be restored in addition to the 17 core routes above as of 4/25.

OTHER OPERATIONAL IMPACTS:

- \$2.2 million in additional cleaning expenses reported to CTA.



CURRENT RIDERSHIP DECLINE: ▼ 72%

CURRENT WEEKLY REVENUE DECLINE: ▼ \$1.25 million

REDUCTIONS IN SERVICE:

- Suspended all 46 supplementary bus routes to schools.
- Suspended 26 Transbay routes and 7 local routes, operating 52% of regular bus routes, and reduced daily service to a modified Sunday service.

OTHER OPERATIONAL IMPACTS:

- No-fare Collection indefinitely.
- \$1 million in additional cleaning, PPE and equipment/systems expenses.



CURRENT RIDERSHIP DECLINE: ▼ 77%

CURRENT WEEKLY REVENUE DECLINE: ▼ \$750,000

REDUCTIONS IN SERVICE:

- Operating 31% of regular light rail service, and 61% regular bus service.
- Will restore some Express Bus service and weekend light rail service on 6/8.

OTHER OPERATIONAL IMPACTS:

- No fares will be collected.



CURRENT RIDERSHIP DECLINE: Bus ridership ▼ 84% Ferries ▼ 98%

CURRENT WEEKLY REVENUE DECLINE: ▼ \$3 million

OTHER OPERATIONAL IMPACTS:

- Bus Operator shields installed 4/20. Requires facial coverings for passengers.

REDUCTIONS IN SERVICE:

- Weekday ferry service has been reduced by over 75%.
- Weekend ferry service has been suspended.
- Service to Chase Center and Oracle Park has been suspended.
- Suspension of 5 bus routes.

For more information, visit: caltransit.org/resources/coronavirus-awareness

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

(June 4, 2020)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session via videoconference 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 – BOARD CHAIR

Chair James Wunderman called the meeting to order at 1:30 p.m. He welcomed guests and advised that the meeting was being recorded. Chair Wunderman also advised how guests could sign up to speak to Directors during the meeting.

2. ROLL CALL

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

3. REPORT OF BOARD CHAIR

Chair Wunderman acknowledged the unprecedented challenges the Bay Area was experiencing as a result of the COVID-19 pandemic. He said the Bay Area region has been profoundly affected and businesses were just beginning to gradually reopen after three months of sheltering in place.

Chair Wunderman said he had been named to the Metropolitan Transportation Commission's (MTC) Blue Ribbon Transit Recovery Task Force (Task Force). He explained that the three primary objectives of the Task Force over the course of what is expected to be a year or so, in order of priority, were to divvy up the remaining funds from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, to help all agencies manage the myriad challenges of reopening in this difficult environment, and evaluating the region's transit system to see how its 29 transit agencies can be more collaborative in their fares and schedules and consider if and how consolidation might be possible and advantageous. Chair Wunderman said the Task Force Chair was Solano County Supervisor Jim Spering, a water transit supporter and one of the most respected transit leaders in Bay Area history.

4. REPORTS OF DIRECTORS

There were no reports from Directors.

5. REPORTS OF STAFF

Executive Director Nina Rannells provided her written report to Directors and welcomed questions. She said that she and other staff had been participating in staff level working groups related to MTC's Task Force.

Ms. Rannells said oral arguments related to Regional Measure 3 (RM3) had been heard by the Court of Appeal on May 26, had reportedly gone very well, and that it could be up to 90 days before a decision was issued.

Ms. Rannells reported that the House Transportation & Infrastructure (T&I) Committee had released text of the *Investing in a New Vision for the Environment and Surface Transportation in America (INVEST in America) Act*, a key component of the Moving Forward Framework that House Democrats, led by Chair

Peter A. DeFazio, released earlier this year. She said it included a doubling of Federal Transit Administration (FTA) funds for the Discretionary Passenger Ferry Grant program, from \$30 million to \$60 million, and an increase in the Federal Highway Administration formula program. Ms. Rannells said this was very good news and reflected the hard work of WETA's federal representatives' lobbying of House Speaker Nancy Pelosi, T&I Chair DeFazio, and other Washington leaders.

Ms. Rannells reminded Directors that prior to the pandemic crisis, the Board had planned to hold a meeting in Vallejo to hear from the Solano Transportation Authority and the City of Vallejo about a parking project they wanted WETA to consider partially funding. She said staff had received one comment from the City of Vallejo on WETA's Short Range Transit Plan (SRTP) related to parking in Vallejo and that she expected to be able to revisit the parking project again as soon as things have quieted down a bit. In response to a question from the Chair, she said a correction to the number of Vallejo parking spaces brought to light by the City's comment had been made to the SRTP.

6. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- a. Board Meeting Minutes – May 7, 2020
- b. Board Meeting Minutes - May 21, 2020
- c. Approve Amendment to Agreement with Nematode Media, LLC for Ferry Ticket Sales and Information Services for Fiscal Year 2020/21
- d. Adopt 2020 Short Range Transit Plan for Fiscal Year 2019-20 to Fiscal Year 2028-29
- e. Approve On-Call Planning Professional Services List and Contracts

PUBLIC COMMENT

Jerry Bellows said he was pleased to see that many excellent companies had responded to WETA's Request for Qualifications to support its on-call contract needs.

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

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

7. APPROVE AMENDMENTS TO AGREEMENTS FOR THE DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT

Senior Planner/Project Manager Mike Gougherty presented this item to approve amendments to agreements for the Downtown Ferry Terminal Expansion Project (FTX). He said incredible progress had been made on the project since it began in May 2017 and that it was nearly complete. He said new Gates F and G, and refurbished Gate E, were all available for WETA use, and the plaza and amphitheater seating were also complete. Mr. Gougherty explained that once an executed lease agreement from the Port of San Francisco (Port) was received then the fence around the project could be removed and that he expected it within the next week. He said staff hoped to be able to open the project to the public later this month.

Mr. Gougherty explained that WETA had chosen Power Engineering Construction Company (Power Engineering) from Alameda to do the work on this project. He said they have been very easy to work with and have provided high quality, excellent work. Mr. Gougherty said the project had gone very smoothly under an innovative Construction Manager at Risk agreement and noted that this type of project delivery was common in the private sector but had only been approved by the FTA for public projects twice prior to WETA's FTX project.

Mr. Gougherty said one substantial item of work remained to connect the project to full capacity permanent electrical connection that will replace a temporary connection currently in place. He said the permanent connection had not been included in the initial scope of the project three years ago because a permanent solution had not been solidified at the time. Mr. Gougherty explained that this was a common factor in construction projects in San Francisco and most especially along the San Francisco waterfront. He said the power challenges were related to interactions between the City of San Francisco, the Port of San Francisco, the San Francisco Public Utilities Commission and Pacific Gas & Electric and because of these challenges, it had taken WETA longer than anticipated to identify a permanent power solution.

Mr. Gougherty explained that a bit more work than was anticipated will need to be done to support the permanent power connection. He said the power will draw from the Port's Pier 1 facility through a conduit in The Embarcadero roadway that will be connected to the FTX infrastructure. Mr. Gougherty explained that the conduit was damaged and WETA would need to repair it to support the connection. He said the work would require shutting traffic down at night for approximately 6 to 8 weeks to access the 20 feet of conduit that was damaged.

Mr. Gougherty said the total cost to complete this final work would be \$1.25 million, some of which would be offset by the project's remaining owner's contingency funds. He said the Power Engineering contract would need to be increased by \$750,000, and the construction management services contract with CH2M Hill Engineering, since acquired by Jacobs Engineering, would need to be increased by \$250,000 to oversee the project. He noted that as a result, the overall capital budget for the FTX project would need to be increased by \$1 million.

Chair Wunderman congratulated Mr. Gougherty and staff on the project's progress and near completion. He said this was a really big and important facility addition to WETA, to the Port, and to the City of San Francisco. Chair Wunderman said he hoped staff would be able to get the word out despite pandemic restrictions and challenges so that the public will be made aware and can share in the celebration of this exciting WETA achievement. Public Information & Marketing Manager Thomas Hall said staff was working on a video press release to publicize the completion of the project in lieu of holding a large public gathering at the site.

In response to a question from Chair Wunderman, Mr. Gougherty said that about \$800,000 was still in the owner's contingency, with \$500,000 of that being earmarked for the electrical work. He explained that the remaining \$300,000 was expected to be ample to pay for any final, smaller needs, and he noted that he did not anticipate a need to return to the Board in the future to increase the budget any further for this project.

Ms. Rannells thanked Chair Wunderman for his work on securing State of California Proposition 1B funds which were being utilized to close out this project.

Director Intintoli made a motion to approve the item.

Chair Wunderman called for public comments on the FTX project agreement amendments and there were none.

Director DelBono seconded the motion and the item passed unanimously.

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

8. ADOPT PROPOSED FARE STRUCTURE FOR NEW SEAPLANE LAGOON FERRY SERVICE

Transportation Planner Arthi Krubanandh presented this item to adopt fares for WETA's new Seaplane Lagoon ferry service. She said as part of the draft multi-year fare program presented to the Board earlier this year, staff conducted a comprehensive outreach process including the concept that Seaplane Lagoon fares should match fares for Oakland and Alameda given the geographic proximity of the three locations. Ms. Krubanandh noted in the outreach process that no comments had been received about Seaplane Lagoon fares. She explained that while the adoption of the new fares for all other services had been postponed due to the pandemic crisis, staff recommended adopting the new Seaplane Lagoon service fares since the service was expected to commence in WETA's new fiscal year. Ms. Krubanandh added that the fares adoption process for all other services would begin again in WETA's next fiscal year.

Chair Wunderman asked if it made sense to offer Seaplane Lagoon riders a discounted, introductory fare to promote the new service and help assure its success. Ms. Rannells said it made sense to set the fare and then offer promotions such as ticket giveaways as was done when the new Richmond service started. She noted that it was expected that most riders on the new Seaplane Lagoon service would be shifting from riding WETA ferries from the Alameda Main Street terminal and that they would already be used to paying the comparable fares on that existing service.

Director DelBono said the development at Alameda Point where the new Seaplane Lagoon service will be running was going to have a large percentage of affordable housing. He said he would like to see fares for the new Seaplane Lagoon service that will help the residents of those units trying to get back on their feet. Director DelBono noted that a \$14.40 round trip ticket was the equivalent of a full hour's wage for many people working in the service industry. He said that while he was aware that Clipper and MTC were working to address accessibility in fares for the region, he feels the need to reiterate this equity concern again. He added that if the matter was not resolved soon, the WETA Board would need to find a solution for WETA service.

Ms. Rannells explained that WETA does not currently have the program infrastructure required to support a means-based fare program and that this is why Clipper and MTC have taken up the matter as a regional concern. She said it made sense for the new MTC Task Force to address this concern and Chair Wunderman said he would be raising the issue with the group.

Director Intintoli made a motion to approve the item.

Chair Wunderman called for public comments and there were none.

Director DelBono seconded the motion and the item passed unanimously.

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

9. FERRY SERVICE RECOVERY UPDATE

Ms. Rannells introduced this informational item on WETA's ferry service recovery update. She said demand had increased slightly on the Vallejo route and that as those numbers rise, staff was looking to add a second vessel to the service in mid-June. She said staff was also working responsively on the requests of the City of Richmond and the Contra Costa Transportation Authority (CCTA) to restart the Richmond commute service.

In response to a question from the Chair about promoting the return of the Richmond service, Ms. Rannells said she and other staff had met with the Mayor and Richmond staff a few days prior and the

Mayor and his team will be working in tandem with WETA to let people know about the service restart. She said those communications were set to begin on Monday in anticipation of the restart of the service.

Ms. Rannells introduced Planning & Development Manager Kevin Connolly who provided a PowerPoint presentation for Directors.

Mr. Connolly said that after weeks of falling ridership from March through early April, the Vallejo ridership began to tick up and has been increasing by 12 to 13 percent every week. Given the current restricted vessel capacity to support social distancing, about 100 passengers versus 445, he said that the single vessel serving Vallejo right now would exceed capacity by about mid-June if the trend continued. Because of this, Mr. Connolly explained that staff recommended adding a second vessel to the Vallejo service now to support the additional riders and help assure no one gets left behind on the service.

Mr. Connolly said that the Alameda/Oakland's ridership growth was about a week behind Vallejo's, with maximum capacity on the Alameda/Oakland service route vessel expected in mid-July. Mr. Connolly said the service was definitely expected to exceed capacity with the current single vessel by the opening date for the new Seaplane Lagoon service on or around August 3. Because of this, he said staff will potentially be enhancing the Alameda/Oakland service as well a few weeks after the Vallejo enhancement.

Ms. Rannells said the City of Richmond requested resumption of the Richmond ferry service and that Contra Costa County (County) controls the funding for the service. She said the County was on board with the restart of service. Ms. Rannells said everyone recognized that it will likely take some time for the service ridership to rebuild, and there will be close monitoring and frequent check-ins with the Board and stakeholders to rigorously track the status of the Richmond service ridership as it ramps back up. She said this would be needed for all services and that more details about a service recovery plan and a budget item would be brought to Directors at the next meeting.

Director DelBono said that Richmond, Alameda, and Vallejo all had many open-air eating and drinking establishments that might attract people from San Francisco and other parts of the Bay Area. He said he was in favor of this plan for recovery and he looked forward to WETA's service ramping back up and keeping people employed.

PUBLIC COMMENT

City of Richmond Mayor Tom Butt's Chief of Staff Christopher Whitmore thanked Directors and WETA staff for working with Richmond and the Mayor's office to coordinate reopening of the Richmond ferry service. He said he utilized WETA's ferry service when he worked in San Francisco and he looked forward to Richmond and West Contra Costa County residents being able to take advantage of this wonderful resource again soon. He said the City of Richmond is grateful and always looks forward to the opportunity to work with WETA.

PUBLIC COMMENT

City of Richmond Deputy City Manager of Economic Development Shasa Curl thanked Ms. Rannells and her staff for the coordination and restart of the ferry service in Richmond. Ms. Curl said everyone was very optimistic about the service restart and that she and her staff were looking forward to promoting the service as the preferred way to return to work in concert with Mr. Hall and WETA staff.

10. ADOPT PASSENGER AND CREW SAFETY PLAN AND REVIEW COMMUNICATIONS CAMPAIGN

Chair Wunderman said staff had done a great job adjusting its program and implementing good, solid safety measures very early. He said it was his hope that Directors will review staff's formal plan and adopt it.

Ms. Rannells introduced this item to adopt WETA's Passenger and Crew Safety Plan (Plan) and review the corresponding communications campaign. She said staff had worked closely with WETA's contract operator, the Blue & Gold Fleet (Blue & Gold), and everyone had put forth excellent efforts to come up with this important plan. Ms. Rannells noted that Blue & Gold crews had been especially diligent in their efforts to assure that passengers were able to travel in a safe and comfortable environment on WETA's ferries. She introduced Mr. Hall to present further details on the item.

Mr. Hall provided Directors with a PowerPoint presentation on the Plan and the communications campaign (Campaign). He said WETA and Blue & Gold had begun efforts to implement crew and passenger safety measures in late February. Mr. Hall said WETA communicated the safety measures being instituted and encouraged passengers to follow the Centers for Disease Control & Prevention (CDC) recommended guidelines, such as handwashing, to assure safety.

Mr. Hall said staff has been in regular close contact with other Bay Area transit agencies and MTC to plan safety measures and joint marketing. He said staff is closely monitoring the various county health measures and state and federal guidance and updating measures as needed to help assure people are protected. Mr. Hall said the City and County of San Francisco has mandated face masks for all when in public which aligns with WETA's policy for crews and passengers aboard vessels and at terminals. He reminded Directors that WETA's Passenger Code of Conduct approved by the Board in 2018 requires all passengers to follow policies posted on vessels so as things change, policies can be updated on WETA vessels. Mr. Hall reviewed each of the six steps in the Plan; enhanced cleaning, social distancing, face coverings, hand sanitizer, healthy crews, and touchless payment.

Mr. Hall said the Plan is the core of WETA's Campaign, called "the best way back to work" that will roll out over the next few months as WETA begins to reinstate and enhance service. Mr. Hall said the objective of the Campaign will be to inform the public of schedules and service details and allay any health and safety concerns people may have about using WETA's public transit service. He said staff wants to communicate to the public that WETA's ferries provide controlled, clean environments with open air options and plenty of space. He added that staff understands that getting commuters back on public transit is a critical step in helping the Bay Area's economy recover from the pandemic crisis devastation.

Mr. Hall shared details on WETA's plans for increased passenger communication, public relations, passenger appreciation, paid advertising, and social media components and said these were the five primary pillars of the Campaign.

Chair Wunderman thanked Mr. Hall for the well-thought-out and thorough presentation. He said he liked the messaging in the Campaign and that it was critical to get this messaging out right away. Chair Wunderman said the Bay Area Council (BAC) would be happy to help and he encouraged staff to partner with the BAC and other groups to assist in getting this vital information out.

Director DelBono thanked Mr. Hall for the clear and direct Campaign and said it was better than any he had seen thus far at other agencies. He said he would like Mr. Hall to get on city council agendas in the Bay Area - especially in cities served by WETA like Alameda, Richmond, and Vallejo - to speak about the Campaign and partner with community development leaders to share the information.

Chair Wunderman said when BART released their plan, it appeared on the front page of the *San Francisco Chronicle* and he would like to see WETA's Plan publicized well also.

Ms. Rannells said media attention about the Plan will also include information about the restart of Richmond service and the enhancement of the Vallejo service. She added that this communications

process was critical to all transportation agencies and noted that a dialogue had begun at the MTC Task Force meeting about doing a regional campaign and outreach.

Director Intintoli made a motion to approve the item.

Chair Wunderman called for public comments on the Plan and Campaign and there were none.

Director DelBono seconded the motion and the item passed unanimously.

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

11. STATUS REPORT ON WETA HOVERCRAFT FEASIBILITY STUDY

Transportation Planner Taylor Rutsch introduced this informational item and asked Krystle McBride from AECOM to present the status report on WETA's Hovercraft Feasibility Study (Study) for Directors.

Ms. McBride provided a PowerPoint presentation for Directors on the Study's status. She said AECOM had completed the general investigations of Phase I of the Study and was entering Phase II, to investigate detailed route considerations. She said study findings thus far had identified some of the key technical challenges associated with starting a hovercraft service including complex infrastructure requirements to access existing facilities and navigational challenges in the San Francisco Bay, especially in Oakland and downtown San Francisco. Ms. McBride explained that many routes initially under consideration had been eliminated, including the South Bay past the Dumbarton Bridge due to high environmental sensitivity, poor cost-effectiveness, and the risk of losing access should the Dumbarton Rail Bridge service restart.

Ms. McBride said the Study's objective was not to consider replacing existing WETA ferries but instead investigate routes that will make new connections to create faster services that connect housing and employers. She said terminals without speed-restricted waterways were appealing and that the primary goal was to identify feasible routes that will provide for San Francisco to North Bay and San Francisco to South Bay linkages. Ms. McBride emphasized that these routes were desirable to Study Stakeholders, had appealing fare and operating expenses, and would be prioritized for closer looks.

Ms. McBride explained that another primary consideration when looking at routes was the fare threshold for feasibility. She noted that WETA's current highest fare was \$15 for the Vallejo/San Francisco route. She said hovercraft were smaller vessels and it may be possible to charge more and retain adequate ridership, especially in the Bay Area's technology hubs. She noted that corporate partnerships may be able to help subsidize fares and said AECOM expected that routes requiring fares that exceed \$25 were likely to be unfeasible. Ms. McBride said that WETA would need to be cognizant of potential social justice issues related to implementing new, high-priced diesel-powered public transit that could be perceived as geared to the wealthy.

Ms. McBride said the routes that will likely be more feasible will be those that meet WETA's requirement of three departures in the two peak-commute periods of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. with a single hovercraft because the need for a second hovercraft per shift would increase capital expenses substantially. She added that in all likelihood, utilization per hovercraft would decline with two hovercraft per route, per shift, and fare requirements would increase and further depress ridership.

Ms. McBride said the Study team just finished the second workshop and that Stakeholders and Technical Advisory Committee members had provided robust and valuable feedback resulting in many routes identified for further, refined analysis in Phase II. She said these routes included Richmond, Berkeley, West Alameda, San Leandro, Hercules, Martinez, and Antioch. She noted that many of the

routes that will be analyzed could connect riders to the San Francisco and Oakland airports utilizing connector services like shuttles. Ms. McBride added that of the three West Contra Costa County cities, Hercules was likely the most appealing given its lower operating costs to support three peak-commute period departures with a single hovercraft.

Ms. McBride explained that using the routes identified in the Study's Phase I work, the Phase II steps would include ridership modeling, air quality comparisons, further environmental analysis, and analysis of capital costs to develop terminals and purchase hovercraft. She said the Study would also include two more Stakeholder and Technical Advisory Committee Workshops.

In response to a question from the Chair, Ms. McBride confirmed that none of the routes that will be further analyzed can be served by deep water vessels. Chair Wunderman asked if it made sense to consider shorter rather than longer routes and suggested connecting Antioch, Martinez, and Hercules with a hovercraft. He said this would provide the opportunity for further transit to be developed from a northern Contra Costa County waterfront transit network and said he believed the Contra Costa Transportation Authority was discussing this idea. Ms. McBride said the Study to date had not included routes in BART service corridors.

Director Intintoli said he was looking forward to Phase II of the Study, and especially to learning more about ridership potential for the various routes. He said he was concerned about the smaller size of the hovercraft vessels with 75-passenger capacities that could result in higher operating costs, but he wanted to reserve further concerns until he had all of the information at the Study's conclusion. Ms. McBride said a WETA hovercraft service would certainly be a boutique transit service for a wealthier ridership and not a mass public transit service for the average rider. She reiterated that this was absolutely something WETA will need to consider in terms of hovercraft service feasibility. She said this was a matter that AECOM would be very clear about in their deliverables and final Study report.

Director DelBono said he was also concerned that a hovercraft service would be a boutique service for a small number of people, and he felt this went against WETA's core values. He added that he was willing to continue to support the Study going forward and, like Director Intintoli, would reserve his final judgement until the Board was fully informed by the Study's final report. Chair Wunderman explained that his hope at the start of the Study had been that hovercraft might offer a way to reach places WETA can't reach using its traditional ferry vessels. He said it may turn out that hovercraft service is more suited to be run by the private than the public sector given the considerable issues involved with the service. Ms. Rannells said the final report may reveal opportunities to forge partnerships that could support viable hovercraft service in places unreachable by WETA vessels. Chair Wunderman said a company like Facebook may be willing to help support a connection out to the Dumbarton Bridge area as a public service that would also serve some of its many employees.

Ms. McBride said Facebook was one of the reasons the Study will be looking at West Dumbarton. She said another upcoming component of the Study will include an economic analysis and will investigate potential partnerships and funding for hovercraft service. Ms. McBride assured Directors that all feedback received from the Board would be taken into consideration.

Chair Wunderman thanked Ms. McBride and staff for the Study update. He called for public comments on the WETA Hovercraft Feasibility Study and there were none.

12. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

Chair Wunderman called for public comments for non-agenda items and there were none.

Directors and Ms. Rannells scheduled a special meeting for June 18 at 1:30 p.m. Ms. Rannells said she expected that this special meeting agenda would include a service recovery plan discussion and a FY 2020/21 budget revision discussion. Chair Wunderman said he would like his fellow Directors to form a budget committee group to work on the WETA budget with Ms. Rannells and her team and that he would like Directors Intintoli and DelBono to make up this Budget Advisory Committee. He emphasized that it was critical for the Board to be closely involved in this important work especially as WETA moves into its new fiscal year in these uncertain and challenging times. Chair Wunderman said it was especially important to have conversations with the people who would be affected by WETA's new budget and that there would likely be many more conversations about the budget going forward as new information becomes available.

Chair Wunderman adjourned the meeting at 3:22 p.m. to closed session and indicated prior to adjournment that report of any actions taken during the closed session would be reported at the next meeting.

- Board Secretary

END

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

(June 18, 2020)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in special session via videoconference 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 – BOARD CHAIR

Chair James Wunderman called the meeting to order at 1:30 p.m. He welcomed guests and advised that the meeting was being recorded. Chair Wunderman also advised how guests could sign up to speak to Directors during the meeting and noted that since this was a special meeting, public comments to Directors would be limited to agenda items only. Chair Wunderman, Director Anthony Intintoli, and Director Jeffrey DeBono were in attendance. Chair Wunderman then introduced Executive Director Nina Rannells.

2. REPORTS OF STAFF

Ms. Rannells explained that she had submitted a letter of resignation from her position as Executive Director at WETA and that she would be retiring. She read her letter and thanked Directors for the opportunity to have served WETA for the last 11 years. Ms. Rannells said she would be retiring on January 31, 2021 at the end of her current contract. She said serving as WETA's Executive Director had been a dream job that she never would have imagined could be hers and that it had been an honor for which she will be forever grateful.

Chair Wunderman thanked Ms. Rannells for her excellent service to WETA and said that as a result of her efforts, the agency was better positioned to brave the current pandemic crisis storm than it otherwise would have been. He said WETA's staff was lucky to have had Ms. Rannells's fine leadership and that she would be difficult to replace. Chair Wunderman added that the Board would begin its search for a new Executive Director for WETA right away and that having help from Ms. Rannells in that process will be appreciated.

Director Intintoli thanked and congratulated Ms. Rannells for her magnificent work on behalf of WETA and for the excellent staff she has assembled. He said he had made many hiring decisions in his life and none had been better than the one to hire Ms. Rannells.

Director DeBono also thanked Ms. Rannells for her excellent work and for educating him when he first joined the Board. He said she had put together an excellent staff which had been able to get so much done with so few people.

Ms. Rannells said that the pandemic crisis had cemented for her what is important in life and she looked forward to spending time with her family and friends after she retires.

Chair Wunderman called for public comments on the staff report and there were none.

3. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- a. Approve Sole Source Contract Award to Cummins, Inc. for Main Propulsion Engine Overhauls and to ZF Marine Propulsion Systems Miramar, LLC for Reduction Gearbox Overhauls

Chair Wunderman called for public comments on the Consent Calendar and there were none.

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

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

4. APPROVE WETA FERRY SERVICE RECOVERY PLAN

Planning & Development Manager Kevin Connolly presented this item to approve the WETA Ferry Service Recovery Plan. He explained that the WETA Strategic Plan, adopted by Directors in 2015, served as the foundation for how to move forward because it was rooted in WETA's core principles.

Mr. Connolly shared a PowerPoint presentation and reviewed some of the work being done by the members of the Metropolitan Transportation Commission's Blue Ribbon Transit Recovery Task Force (Task Force) including reviewing transportation funding streams. He noted that Chair Wunderman was serving on the Task Force. Mr. Connolly said every transportation agency in the Bay Area faced a unique set of funding challenges.

Mr. Connolly said that he and Ms. Rannells were participating in multiple meetings each week in collaborative efforts with other agencies to create recovery plans. He said one of the objectives of this work was to make Bay Area public transit options more seamless for riders. He said another important objective was to identify how best to communicate to the public that returning to public transit is safe. Mr. Connolly explained that staff had been communicating with cities and Bay Area employers about their plans to bring employees back to work and that a May 2020 survey of 123 Chief Executive Officers done by the Bay Area Council (BAC) had been very valuable and indicated that about 80 percent of their workforce was working from home. He said the BAC survey had also shown that 90 percent of the 123 surveyed planned to change staff work schedules, reduce the amount of time employees spend in the office, and stagger office occupancy in the future. Mr. Connolly noted that the BAC plans to do the survey again soon because of how fast information was changing, and he added that WETA was planning on releasing a rider input survey soon.

Mr. Connolly explained that given the current dynamic environment WETA is facing right now, staff had made very conservative assumptions about how soon to bring service back. He said this was in line with what other Bay Area agencies were doing, including the elimination of 30 percent of service lines by the San Francisco Municipal Transportation Agency and the Valley Transportation Authority's expectation that only about 50 percent of its usual service level will return over the next year.

Mr. Connolly said one of the key changes WETA had put in place was reduced capacity limits on its vessels to assure that passengers can practice social distancing while on the ferry. He noted that some cities, New York City and Vancouver, Canada to name two, were operating their vessels with a 50 percent passenger capacity. Mr. Connolly noted that WETA vessels were and would be operating at 25 percent passenger capacity in a diligent effort to help assure passengers that WETA ferries are safe. He said all Bay Area transportation agencies were participating in a campaign called Moving the Bay Area Safely which had been presented the prior week to the MTC Task Force.

Mr. Connolly said that about 10 percent of WETA's total ridership were low-income riders who lived in households with total median income below \$50,000. He noted that about 13,000 low-income, disadvantaged households were within a half-mile radius of WETA terminals and that one of the ways WETA was working to support these riders was to have early and varied departure times – in the morning and mid-day - to help assure that people working in health care, the service industry, and construction will be able to ride the ferry to and from their places of employment in a clean and safe environment, to work their non-traditional work shifts. He reminded Directors of the regional work being done by MTC on means-based fares and that the WETA Board had approved postponing WETA's 2020 fare increases until sometime in the coming year. Mr. Connolly said staff was also working with WETA's partner cities on efforts to improve bus service at WETA terminals. He noted that all of these efforts were positive steps toward increasing transit accessibility for all.

Mr. Connolly said staff will be sharing monthly reports with Directors on how the service is doing, what kind of ridership WETA vessels were carrying, what trends staff will be seeing, and the changes that staff anticipated making in order to address those trends. He said this close attention could result in either more service being needed or the need to reduce some service if, for instance, a predicted second wave of the COVID-19 virus arrives in the Bay Area in the fall. He said WETA doesn't want to offer so little service that the schedules do not attract riders and that watching the service as closely as staff is doing now and plans to continue doing will make it clear what will be needed on a month-to-month basis.

Mr. Connolly explained that the Oakland and Alameda services were potentially on track to reach capacity in mid-July or early August and said this ridership would have access to the new Alameda Seaplane Lagoon service starting up around the same time that was expected to mitigate any capacity challenges. He noted that Genentech employees comprised about two thirds of WETA's ridership on the South San Francisco route. Mr. Connolly said it was agreed in discussions with the City of South San Francisco and Genentech that WETA's South San Francisco service would remain suspended until the fall.

Mr. Connolly explained that the goal was to eventually bring ferry service back to the levels planned for in fall of 2019 when the Board had an extended conversation surrounding activating the new terminal at Seaplane Lagoon in Alameda. The challenges, he noted, were going to be how to remain flexible and meet service demand in an environment that is so rapidly changing. He said it was likely that WETA will want to bring weekend service back in the spring.

Ms. Rannells said the path forward was crafted with efforts by Mr. Connolly and his Planning team, WETA's Operations team and WETA's contract operator Blue & Gold Fleet with a primary objective of meeting the needs of people who have to travel to and from their jobs. She said the recommended plan provided a way to provide needed services as demand increases over time and remain solvent within the WETA budget.

Chair Wunderman said staff was dealing with a tremendous number of variables and uncertainties and he commended Mr. Connolly and staff on the work that went into the recommendation.

In response to a question from Director DelBono, Mr. Connolly said the reason New York City had decided to use a 50 percent capacity target instead of 25 percent was because they had done a detailed analysis on their specific vessels to determine that a 50 percent capacity would support a distance of about 5 feet or so between passengers, which they deemed ample for social distancing. He added that the work WETA had done on the capacity reduction had been done for seated passengers only. Mr. Connolly noted that WETA's work mimicked the capacity work done for the ferry system in the state of Washington and he reminded Directors that all this work was for moving targets and that things could change as new information becomes available. He added that if passengers did not feel safe riding a

ferry at a 50 percent capacity, agencies using that threshold would likely reduce it and said WETA's 25 percent could also be modified if needed.

Ms. Rannells reiterated the need to diligently gather information and for WETA to remain flexible, cautious, and open-minded as it moves forward in the pandemic landscape.

Director DelBono said it will be important to get information out to the public, WETA passengers, and all WETA's partners as early as possible when things change. He urged staff to let Directors know if they can be of any assistance in these efforts.

In response to a question from Director DelBono, Mr. Connolly said the surveys WETA has done in the past have reached out to confirmed passengers as well as people who could be potential riders by partnering with South San Francisco employers to survey all of their employees and by working with the City of Richmond to reach residents living near the Richmond terminal. He said near future surveys will provide additional opportunities for WETA to market its open-air, clean, and safe ferry service to riders and potential riders alike. Public Information & Marketing Manager Thomas Hall confirmed that the surveys planned were to glean information from confirmed WETA passengers as well as potential WETA riders.

Director DelBono said the need for a means-based fare for public transit in the Bay Area was urgent and that people had been discussing it for years. He said if the matter is not resolved soon to improve transit accessibility for all people, including service workers, he will ask the Board to take up the matter just for WETA's service. Ms. Rannells said she had made efforts to get WETA into the MTC means-based fare program sooner and that she was told by MTC staff just recently that this was not possible because of a technology barrier in the Clipper system. She added that agencies all over the Bay Area are clamoring to get Clipper 2 which will support means-based fares and touchless payments.

Chair Wunderman said the equity conversation, which has been ongoing for years in the Bay Area, has reached a new level that he expects will attract a lot of thought and attention. He said WETA is a comparatively high-priced service and families with incomes under \$50,000 were priced out, yet many of these people lived near WETA terminals. Chair Wunderman said it made sense for WETA to strategize about how to attract these potential riders. He said if a fare to do so required a subsidy to meet WETA's farebox recovery needs, MTC should be asked to cover that difference. He said this would support their equity objectives.

Director DelBono made a motion to approve the item.

Chair Wunderman called for public comments on the WETA Ferry Service Recovery Plan and there were none.

Director Intintoli seconded the motion and the item passed unanimously.

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

5. FISCAL YEAR 2020/21 BUDGET REDUCTION STRATEGIES

Ms. Rannells presented this item for fiscal year 2020/21 budget reduction strategies. She said the Recovery Service Plan just approved by Directors played a major role in being able to balance WETA's budget. She said the Board adopted a baseline budget on May 21 of \$86.7 million which included \$54.7 million in operating and \$32 million in capital expenses, and staff was returning with this budget item for Directors now, as promised, after learning more about WETA's recovery services and revenue sources.

Ms. Rannells said this item was the first step in providing a revised, balanced budget to Directors for Board adoption.

Ms. Rannells explained that the baseline budget had assumed that WETA would have been operating on the high side of expenses, and running services originally intended to be operated in the new fiscal year. She said revenue assumptions had included full Regional Measure 2 (RM2) funding and an additional \$8 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funds based on the first MTC disbursement formula. She said it had been acknowledged however, based on information received from MTC, that RM2 funds could be reduced by between 25 and 40 percent, and that the CARES Act funding could potentially be less than estimated. Ms. Rannells said that while all the information needed for budgeting was not yet available, staff had received enough information to provide the Board with a close approximation of the revenue shortfall WETA could expect and had developed strategies for reducing expense to close the revenue shortfall.

Ms. Rannells said MTC had adopted a plan to cut Regional Measure 2 (RM2) funds for all transit operating programs by 29.5 percent which, for WETA, amounted to a \$5.8 million revenue reduction. She said the CARES Act preliminary numbers from MTC indicated that WETA could expect to receive between \$5.5 and \$7.3 million of the initially budgeted \$8 million, creating a gap of as much as \$2.5 million, a number she said was very likely to be close to the final gap as a result of MTC's equity factor.

Ms. Rannells said she was grateful that the Chair had created a Budget Advisory Committee made up of less than a majority share of the Board. She said Directors Intintoli and DelBono had worked with her to discuss and consider three budget reduction strategies. She explained that the first and most fruitful strategy would be to reduce the baseline level of service provided consistent with the Service Recovery Plan just approved. She said that this option would save up to \$6.25 million by implementing a modified service plan, ramping up as the economy reopens, and providing attractive levels of service but not so much service that WETA was running empty vessels. Ms. Rannells said the \$6.25 million estimate assumes that WETA continues to employ the current level of Blue & Gold Fleet crews, comprised of 103 people, as it has been doing since the shelter-in-place health order was issued on March 17. She said that implementing this strategy would result in crew savings of about \$4.25 million and fuel savings of about \$2 million.

Ms. Rannells said the second expense reduction strategy included eliminating the new Central Bay Operations and Maintenance Facility cadet program which was not currently employing anyone, eliminating engineer overtime given the reduced levels of service, eliminating six non-essential drydocks, and modifying the operations and hours of WETA's Vallejo Ticket Office due to lower service levels. She said these steps would save about \$2 million which would be offset by an addition of \$1 million in new cleaning expenses due to the virus pandemic, for a total expense reduction of about \$1 million. Ms. Rannells said savings were found in WETA's Planning & Administration budget also, with reductions in marketing and communications. She acknowledged the critical role marketing and communications will play in passengers returning to WETA service, and she assured Directors that Mr. Hall had found some extra dollars he could let go without jeopardizing WETA's robust communications campaign. Ms. Rannells said this second reduction strategy also included deferring some modifications work on WETA's operations database, reducing planning and consultant funds for travel and training, and deferring the WETA staff July 1 Cost of Living Adjustment (COLA) salary increase until at least January 1, 2021.

Ms. Rannells said the third expense reduction strategy was workforce reduction to include employing only the number of crews needed to run the minimal service, modifying pay for Blue & Gold Fleet standby crews when they are not in operating service, reducing the number of Blue & Gold Fleet

engineers working at WETA's Central and North Bay facilities, and reducing WETA's Planning & Administration staff.

Ms. Rannells said the Budget Advisory Committee was confident that the first two reduction strategies would fill the revenue gap and that the third option would not be needed. She said that while the MTC revenue reduction numbers were not yet final, she felt confident that staff could close the expense funding gap and that if any small gap remained after WETA had received its funding, it would be small enough to be filled with reserves. Ms. Rannells thanked Directors Intintoli and DelBono for their time and efforts in meeting with her to do the work on the budget.

Chair Wunderman thanked Ms. Rannells and his fellow Directors for their efforts and work. He said he liked the strategies presented and recommended and that he was in favor of not having to reduce crews or staff if the first two strategies would close WETA's revenue gap.

Chair Wunderman said that because of the varied ways Bay Area Transit agencies are funded, and with so many relying on farebox or sales tax revenue, the pandemic has been devastating to public transit finances. He said agencies are going to be taking hits on all sides if the virus does not relent.

Director Intintoli thanked the Chair for the opportunity to work on the budget with Ms. Rannells. He said he would like to see the first and second budget reduction strategies incorporated in the revised budget to be brought back to the Board in July and that the third reduction strategy should not be pursued at this time.

Director DelBono said he also supported the implementation of the first and second strategies. He said that WETA values its employees and he and Director Intintoli had approached this budget work with that as a foundation. He thanked Director Intintoli and Ms. Rannells for working with him on the budget. Director DelBono said he hoped this plan will provide WETA and Blue & Gold Fleet employees with some relief and he thanked WETA staff, noting that it was not an easy decision to have to delay their COLA salary increase which was well deserved. He said the Board acknowledged that things have also been difficult for the WETA staff and that it was his hope that things will be much better by the end of the year.

Director DelBono made a motion to approve the item.

PUBLIC COMMENT

Inlandboatmen's Union of the Pacific Regional Director Robert Estrada echoed the comments of Director DelBono and commended the Board on their ethical and principled work on behalf of labor. He said things could have gone in a less human direction. Mr. Estrada said his experience with the WETA Board and Ms. Rannells has been positive and respectful. He congratulated Ms. Rannells on her retirement plans and said she has been a shining light at WETA.

Masters, Mates & Pilots Regional Representative Captain Sly Hunter said he really appreciated all the work the Board and staff has done on behalf of labor and that he uses WETA as an example when he travels around the country. He said this pandemic has been very trying and WETA has shined throughout. Captain Hunter also congratulated Ms. Rannells on her retirement plans and said he has really enjoyed working with her over the years. He said he has really valued that WETA has considered labor as people and not just numbers.

Jerry Bellows congratulated the Board and WETA staff on keeping the crews and vessels working and ready to spring into action. He said WETA was doing much better than so many other transportation

agencies. Mr. Bellows said he hoped the reductions in training for crews would not jeopardize critical training exercises. He also congratulated Ms. Rannells on her retirement plans.

Ms. Rannells said that training hours would be provided by crews retained but not operating in active service, and assured Mr. Bellows that no actual training would be cut.

Chair Wunderman thanked the speakers and his fellow Directors for their input and thoughtful efforts throughout the difficulties thus far dealing with the pandemic. Ms. Rannells said WETA really owes a big thank-you to Speaker Nancy Pelosi for her work on the CARES Act which resulted in critical funding for WETA at this difficult time.

Director Intintoli seconded the motion and the item passed unanimously.

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

Chair Wunderman adjourned the meeting at 2:57 p.m.

- Board Secretary

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Update of Signature Authority for Local Agency Investment Fund Account

Recommendation

Authorize Local Agency Investment Fund (LAIF) account signature authority to be vested with the following positions:

- Chair, Board of Directors
- Executive Director
- Finance & Administration Manager
- Administration & Business Services Manager

Background

For use in carrying out WETA's daily operation, staff has formed banking relationships with two separate banking institutions. These relationships include accounts with Bank of America used for general banking such as to receive deposits of grant allocations, reimbursements, and refunds and to make payments for goods and services received, and the LAIF account used to invest the agency's excess cash that is not immediately needed to make payments.

Discussion

The LAIF program was created in 1977, through Section 16429.1 et seq. of the California Government Code, to provide an investment alternative for California's local governments and special districts. LAIF offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the state Treasurer's Office investment staff at no additional cost to the taxpayer. For WETA, transfer of funds to/from LAIF can only occur to/from the Bank of America general banking accounts noted above.

Changes to the LAIF account structure and management require Board action. This item requests Board action to update the signatories on the account consistent with the WETA staff structure and lines of responsibility. The two changes associated with this item are to 1) change name of the Board Chair to James Wunderman, and 2) update a position title from Finance & Grants Manager to Finance & Administration Manager, consistent with WETA's organizational chart.

Fiscal Impact

None.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-29

**AUTHORIZE UPDATE OF SIGNATURE AUTHORITY FOR
LOCAL AGENCY INVESTMENT FUND ACCOUNT**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund (LAIF) in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, WETA has established accounts with Bank of America for purposes of conducting regular banking activities and with LAIF for purposes of investing its cash fund balances; and

WHEREAS, the Board of Directors has found that the deposit and withdrawal of money in LAIF in accordance with the provisions of Section 16429.1 of the Government Code for the purposes of investment as stated therein as in the best interests of WETA; and

WHEREAS, WETA seeks to update the titles of signatories on its LAIF accounts; now, therefore, be it

RESOLVED, that the following WETA positions or their successors in office shall be authorized to order the deposit or withdrawal of monies in LAIF:

Name	Position Title	Signature
James Wunderman	Chair, Board of Directors	
Nina Rannells	Executive Director	
Lynne Yu	Finance & Administration Manager	
Melanie Jann	Administration & Business Services Manager	

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 July 16, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-29

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Fiscal Year 2020/21 Operating Budget Adjustment

Recommendation

Staff recommends that the Board take the following actions related to the Fiscal Year (FY) 2020/21 Operating Budget:

1. Approve a FY 2020/21 Operating Budget adjustment, as outlined in this memorandum, reducing operating revenues and expense each by a total of \$7,525,300 resulting in a new, adjusted FY 2020/21 operating budget in the amount of \$47,207,400, and
2. Authorize the Executive Director to extend the paid status of WETA's crews under Blue & Gold Fleet employment for the full fiscal year, through June 30, 2021, unless or until further modified by the Board as changed conditions may require during the year.

Background

On May 21, 2020, the Board adopted a \$86,726,300 Baseline FY 2020/21 Operating and Capital Budget (Baseline Budget) that included \$54,732,700 in operating expense and \$31,993,600 in capital projects. The Baseline Budget was adopted with the understanding that staff would prepare an Operating Budget adjustment for Board consideration in July or August once more was known about the status of budgeted operating subsidies and a service recovery plan was developed.

For purposes of establishing the Baseline Operating Budget expense, staff assumed the operation of planned pre-pandemic service levels recognizing that these could be modified later to reflect a reduction in service once the Board established a service recovery plan. On the revenue side, the Baseline Operating Budget assumed the use of historically available operating subsidies, new Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds and carryover fund reserves to make up for the anticipated fare losses due to anticipated reduced ridership. Staff indicated that both the Regional Measure 2 (RM2) and CARES Act funds could well be lower than the budgeted amounts, and that staff would bring a revised budget once the Metropolitan Transportation Commission (MTC) determined the funds available to WETA from these two operating subsidy sources.

Discussion

At the June 18, 2020 Special Meeting, the Board adopted a Service Recovery Plan that provides a framework for WETA to systematically restore ferry service operations during the year as the economy opens up and ridership demand returns. At the same meeting, the Board considered strategies for reducing the FY 2020/21 Operating Budget expenses to better match the new service plan and anticipated reduced RM2 and CARES Act operating revenues and provided staff with direction for returning with a budget adjustment item.

This item proposes a FY 2020/21 Operating Budget adjustment that reduces FY 2020/21 operating expenses and revenues in the amount of \$7,525,300 and results in an adjusted, balanced FY 2020/21 Operating Budget totaling \$47,207,400. Specific revenue and expense reductions associated with this revised budget are described further below and the revised budget is summarized in **Attachment A**.

Operating Revenue Adjustments

Actual FY 2020/21 RM2 and future CARES Act fund distribution amounts were both unknown at the time that the Baseline Budget was adopted in May 2020. Since then, MTC has finalized its FY 2020/21 RM2 fund program and prepared a recommended final CARES Act funding distribution.

Regional Measure 2

The Baseline Budget included \$19.5 million RM2 funds - the amount historically available to support system operations. At the time that the Baseline Budget was adopted, MTC indicated that FY 2020/21 RM2 funds could be reduced anywhere from 25% to 40%, or between \$4.9 and \$7.8 million, due to anticipated reduced bridge traffic and tolls. MTC's final FY 2020/21 RM2 program includes an across-the-board reduction in RM2 operating funds for all project sponsors of 29.5%. WETA's revised RM2 operating funds total \$13,747,500, including \$11,632,500 for service operation and \$2,115,000 for planning and administration. This represents a \$5,752,500 reduction in FY 2020/21 RM2 operating revenues available to WETA.

CARES Act Funds

The Baseline Budget included \$17 million of CARES Act operating funds. This amount included \$9 million carryover funds from MTC's initial distribution in FY 2019/20 and an estimated \$8 million from MTC's second distribution, based upon MTC's formula for the first distribution. MTC has developed a new framework for allocation of the second distribution of funds that is based upon a revised revenue loss formula and application of an equity factor to ensure that funds are available to support systems that serve the region's most vulnerable low-income population. MTC's proposed second and final distribution of CARES Act funds will provide WETA with \$6,227,200, which is \$1,772,800 less than the amount budgeted. However, of note, the total amount of CARES Act funds provided to WETA to support revenue losses resulting from the COVID-19 pandemic in FY 2019/20 and FY 2020/21 is \$18,756,400. This flexible new source of federal operating funds has significantly contributed to our ability to sustain our system and services during this time of uncertainty and reduced overall funding.

Overall, the reduced RM2 and CARES Act funds available to WETA this fiscal year will result in a FY 2020/21 operating revenue reduction to WETA in the amount of \$7,525,300. Fortunately, this amount can be covered with the proposed expense reductions described below.

Operating Expense Reduction Strategies

At the June 18 Special Meeting, staff identified three categories of cost reduction strategies for discussion with the Board including: 1) savings associated with modified service levels as identified in the WETA Recovery Service Plan; 2) savings associated with a modified work program in other areas; and 3) savings associated with across-the-board workforce reductions. The Board gave staff direction to further develop cost reductions identified in Strategies 1 and 2 and to return with a proposal to balance the final FY 2020/21 RM2 and CARES Act revenue

reductions with reductions in expenses in these two strategy areas. To this end, and consistent with the measures discussed at the June 18 meeting, staff has identified cost savings equal to the \$7,525,300 revenue shortfall as described below.

1. Reduced Baseline Recovery Service Plan – Savings of \$6,250,000

This strategy would modify WETA's baseline service costs to match planned modified service levels and system ramp-up over the year by recovery stages as identified in the WETA Ferry Service Recovery Plan. This strategy would maintain current crew levels – preserving jobs – in order to support service operation and ensure that WETA has baseline emergency response resources available to serve the region as needed.

- Crew Savings - \$4.25 million
- Fuel Savings - \$2 million

2. Modified Work Program – Savings of \$1,275,300

This strategy would modify the budget work program to reduce or eliminate spending and contingencies for a variety of activities identified below and discussed at the June 18 meeting and add in the new cost of cleaning (approximately \$1 million) to address the COVID-19 virus.

- Eliminate Engineering Cadet program
- Reduce budgeted overtime for Engineers
- Reduce non-essential vessel drydocks (up to 6)
- Reduce training/exercise budget (crew time covered in baseline service crews)
- Modify Vallejo Ticket Office hours/operations
- Reduce Marketing/Communications budget
 - Events, video production, creative design, campaigns
- Defer operations database modifications
- Reduce planning/consultant funds, travel, and training
- Defer July 1 Cost of Living Adjustment (COLA) increase for WETA staff until at least January 1, 2021
- Other miscellaneous

Fiscal Impact

This item reduces the FY 2020/21 Operating Budget by \$7,525,300, from \$54,732,700 to \$47,207,400, in order to better reflect reduced WETA operating revenues and anticipated expenses associated with operating reduced services in FY 2020/21 during the COVID-19 pandemic.

END

Attachment A

San Francisco Bay Area Water Emergency Transportation Authority FY 2020/21 Operating Budget - Revised *(figures in millions)*

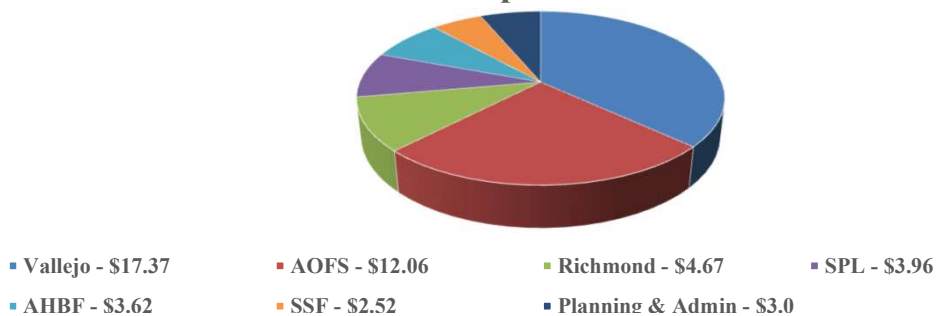
	Revised FY 2020/21	Percentage (%) of Total
Revenues		
Bridge Tolls	\$20.86	44%
Federal CARES Act Funds	15.24	32%
Local Subsidies/Assessments and Other Revenue	9.01	19%
Fare Revenue:	2.09	4%
- Vallejo Ferry Service (Vallejo)	1.14	
- Alameda/Oakland Ferry Service (AOFS)	0.49	
- Alameda Seaplane Lagoon (SPL)	0.20	
- Alameda Harbor Bay Ferry Service (AHBF)	0.16	
- Richmond Ferry Service (Richmond)	0.06	
- South San Francisco Ferry Service (SSF)	0.03	
Total Revenues	\$47.20	100%

Revenues



	Revised FY 2020/21	Percentage (%) of Total
Expenses		
Ferry Service	\$44.20	94%
- Vallejo Ferry Service (Vallejo)	17.37	
- Alameda/Oakland Ferry Service (AOFS)	12.06	
- Richmond Ferry Service (Richmond)	4.67	
- Alameda Seaplane Lagoon (SPL)	3.96	
- Alameda Harbor Bay Ferry Service (AHBF)	3.62	
- South San Francisco Ferry Service (SSF)	2.52	
Planning and Administration	3.00	6%
Total Expenses	\$47.20	100%

Expenses



**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Operating Budget - Revised
Summary**

	FY 2020/21 Operating Budget - Revised		
	Planning & Administration	Ferry Service	Total
Revenues			
Fare Revenue	\$0	\$2,089,400	\$2,089,400
Local - Bridge Toll Revenue	3,000,000	17,861,100	20,861,100
- Regional Measure 1 - 5%, Annual Revenues	-	3,374,700	3,374,700
- Regional Measure 1 - 5%, Operating Reserve	885,000	2,853,900	3,738,900
- Regional Measure 2	2,115,000	11,632,500	13,747,500
Local - Contra Costa Measure J	-	3,588,500	3,588,500
Local - Alameda Measure B/BB	-	1,561,300	1,561,300
Local - Alameda Property Tax and Assessments	-	3,865,700	3,865,700
Federal - CARES Act Funds, 1st distribution	-	9,014,200	9,014,200
Federal - CARES Act Funds, 2nd distribution	-	6,227,200	6,227,200
Total Revenues	\$3,000,000	\$44,207,400	\$47,207,400
Expenses			
Salaries, Wages & Fringe Benefits	\$1,874,700	\$2,011,500	\$3,886,200
Professional / Contract Services	1,756,300	2,661,100	4,417,400
Purchased Transportation	-	27,747,600	27,747,600
- Vessel Expense - Crew	-	12,491,800	12,491,800
- Vessel Expense - Engineering	-	3,340,900	3,340,900
- Vessel Expense - Repair and Maintenance	-	4,701,920	4,701,920
- Other Vessel Expense	-	1,565,750	1,565,750
- Non-Vessel Expense	-	2,916,430	2,916,430
- Fixed Fees and Profit	-	2,730,800	2,730,800
Fuel - Diesel	-	7,220,400	7,220,400
- # of gallons	-	2,888,131	2,888,131
- Per gallon cost	-	\$2.50	\$2.50
Repair, Operating & Promotional Supplies	37,400	242,300	279,700
Utilities	52,900	587,700	640,600
Insurance	28,000	2,157,200	2,185,200
Dues, Subscriptions, Media & Other Expenses	65,200	187,300	252,500
Leases, Rentals and Docking Fees	392,400	185,400	577,800
Admin Overhead Expense Transfer	(1,206,900)	1,206,900	-
Total Expenses	\$3,000,000	\$44,207,400	\$47,207,400
<i>Total Passengers</i>	-	329,428	
<i>Farebox Recovery - Combined</i>		5%	

**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Ferry Service Operating Budget - Revised
Summary**

	FY 2020/21 Operating Budget - Revised						
	Alameda/ Oakland	Alameda Harbor Bay	Alameda Seaplane Lagoon	Vallejo	South San Francisco	Richmond	Total
Revenues							
Fare Revenue	\$491,000	\$161,100	\$204,700	\$1,142,100	\$29,100	\$61,400	\$2,089,400
Operating Subsidies	11,570,500	3,457,100	3,757,500	16,227,400	2,495,200	4,610,300	42,118,000
Total Revenues	\$12,061,500	\$3,618,200	\$3,962,200	\$17,369,500	\$2,524,300	\$4,671,700	\$44,207,400
Expenses							
Salaries, Wages & Fringe Benefits	\$675,200	\$213,800	\$281,500	\$745,800	\$29,600	\$65,600	\$2,011,500
Professional / Contract Services	776,300	324,500	197,900	954,600	145,900	261,900	2,661,100
Purchased Transportation	7,667,500	2,145,500	2,587,300	10,213,400	1,746,800	3,387,100	27,747,600
- Vessel Expense - Crew	3,555,900	892,000	1,317,500	4,207,900	712,600	1,805,900	12,491,800
- Vessel Expense - Engineering	759,500	241,400	298,800	1,557,200	170,800	313,200	3,340,900
- Vessel Expense - Repair and Maintenance	1,467,910	518,300	447,300	1,209,510	431,400	627,500	4,701,920
- Other Vessel Expense	249,400	121,400	78,150	936,700	73,800	106,300	1,565,750
- Non-Vessel Expense	1,015,200	172,900	163,500	1,256,100	109,100	199,630	2,916,430
- Fixed Fees and Profit	619,600	199,500	282,000	1,046,000	249,100	334,600	2,730,800
Fuel - Diesel	1,623,700	492,700	398,200	3,836,800	281,700	587,300	7,220,400
- # of gallons	649,500	197,058	159,262	1,534,726	112,677	234,908	2,888,131
- Per gallon cost	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Repair, Operating & Promo Supplies	61,700	35,200	25,500	66,600	41,400	11,900	242,300
Utilities	146,300	78,100	67,300	158,800	42,800	94,400	587,700
Insurance	613,100	170,300	199,700	758,200	209,600	206,300	2,157,200
Advertising Media & Other Expenses	63,300	19,700	25,700	68,800	2,800	7,000	187,300
Leases, Rentals and Docking Fees	29,300	10,100	10,300	119,000	5,900	10,800	185,400
Admin Overhead Expense Transfer	405,100	128,300	168,800	447,500	17,800	39,400	1,206,900
Total Expenses	\$12,061,500	\$3,618,200	\$3,962,200	\$17,369,500	\$2,524,300	\$4,671,700	\$44,207,400
Total Passengers	110,586	35,011	46,095	122,149	4,849	10,738	329,428
<i>Farebox Recovery</i>	<i>4%</i>	<i>4%</i>	<i>5%</i>	<i>7%</i>	<i>1%</i>	<i>1%</i>	<i>5%</i>

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-30

APPROVE FISCAL YEAR 2020/21 OPERATING BUDGET ADJUSTMENT

WHEREAS, On May 21, 2020, the WETA Board of Directors adopted a \$86,726,300 Baseline FY 2020/21 Operating and Capital Budget (Baseline Budget) that included \$54,732,700 in operating expense and \$31,993,600 in capital projects; and

WHEREAS, the Baseline Budget was adopted with the understanding that staff would prepare an Operating Budget adjustment for Board consideration in July or August once more was known about the status of budgeted operating subsidies and a service recovery plan was developed; and

WHEREAS, changes to Regional Measure 2 and Coronavirus Aid, Relief, and Economic Security (CARES) Act funds available to WETA in FY 2020/21 through Metropolitan Transportation Commission (MTC) programming actions are largely known at this juncture and will result in a \$7,525,300 reduction to budgeted FY 2020/21 operating revenues; and

WHEREAS, at the June 18 Special Meeting of the Board of Directors, staff identified three categories of cost reduction strategies for discussion with the Board of Directors including: 1) savings associated with modified service levels as identified in the WETA Recovery Service Plan; 2) savings associated with a modified work program in other areas; and 3) savings associated with across-the-board workforce reductions; and

WHEREAS, the Board gave staff direction to further develop cost reductions identified in Strategies 1 and 2 and to return with a proposal to balance the final FY 2020/21 RM2 and CARES Act revenue reductions with reductions in expenses in these two strategy areas; and

WHEREAS, staff has identified cost savings in the amount of \$7,525,300, including \$6,250,000 savings from the reduced baseline recovery service plan, which would preserve the current level of Blue & Gold Fleet Crews, and \$1,275,300 from a modified work program; now, therefore, be it

RESOLVED, that the Board of Directors approves a FY 2020/21 Operating Budget adjustment reducing operating revenues and expense each by a total of \$7,525,300 and resulting in a new, adjusted FY 2020/21 Operating Budget in the amount of \$47,207,400; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to extend the paid status of WETA's crews under Blue & Gold Fleet employment for the full fiscal year, through June 30, 2021, unless or until further modified by the Board as changed conditions may require during the year.

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 July 16, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

YYYY-30

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Contract Award to Power Engineering Construction Company for the Harbor Bay Ferry Terminal Mooring Piling Project

Recommendation

Approve the following actions related to award of contract for the Harbor Bay Ferry Terminal Mooring Piling Project:

1. Approve contract award to Power Engineering Construction Company (Power Engineering) in an amount not to exceed \$300,000, which includes a base contract award of \$274,750 and a contingency of \$25,250 (9.2%); and
2. Authorize the Executive Director to negotiate and enter into an agreement and take any other related actions as may be necessary to support this work; and
3. Approve a budget increase to the Harbor Bay Ferry Terminal Mooring Piling Project in the FY 2020/21 Capital Budget in the amount of \$195,000, to be funded with local Alameda revenues, to support full funding of this project.

Background

The Harbor Bay Ferry Terminal is located at an exposed location on the eastern shore of San Francisco Bay. The terminal passenger float uses attached rubber fendering to protect vessels from damage and to dampen motions while docked. Based upon recent positive experience with piling fenders installed at WETA facilities at the Downtown San Francisco Ferry Terminal, staff proposes to install similar pile fenders at the Harbor Bay Ferry Terminal. Project benefits include softer motions while docking, less wear and tear on the vessels and increased service life of existing fenders. The proposed mooring pile fenders would also improve the ability to land WETA's larger vessels at this facility, adding flexibility to WETA's operations. COWI Engineering provided design specifications and assistance obtaining regulatory permitting from the United States Army Corps of Engineers, the California Department of Fish and Wildlife, the San Francisco Bay Conservation & Development Commission, and the San Francisco Bay Regional Water Quality Control Board to support project development. The permitting process is near complete and is anticipated to be in place to support project construction this summer during the allowable in-water work window beginning August 1.

Discussion

On April 9, the Board authorized soliciting bids for the Harbor Bay Ferry Terminal Mooring Piling Project. This is a limited-scope project involving the installation of two 36 -inch steel pilings and two donut mooring fenders. To achieve the lowest price for this work, an Invitation for Bids (IFB) approach was used that allows for contract(s) to be awarded to the responsible bidder that submits the lowest responsive bid.

On May 18, WETA released an IFB for the project. A pre-bid conference was held on May 28 and attended by seven marine construction firms. A total of one addendum was issued providing additional information, clarification, and answers to questions from bidders.

Bid Opening Results

A public bid opening was held June 19 at 2:00 p.m. to open and record the project proposals submitted in response to the IFB. A total of six construction bids were received ranging from \$274,750 to \$422,000 as summarized from lowest to highest price in the table below.

Table 1 Project Bids

Proposer	Bid Amount
Power Engineering Construction	\$274,750
Manson Construction	\$294,500
CS Marine Constructors	\$299,500
Vortex Marine Construction	\$348,690
California Engineering Contractors	\$397,000
The Dutra Group	\$422,000

The lowest bid was submitted by Power Engineering. Staff has reviewed the bid documents submitted by Power Engineering and has determined the bid to be responsive and Power Engineering to be responsible and acceptable for performing this work.

Staff has verified references and recommends that the Board authorize award of a contract for this work to Power Engineering in an amount not to exceed \$300,000, which includes a base contract award of \$274,750 and a contingency of \$25,250 (9.2%) for construction activities required to complete the project.

Project Cost Increase

Analyzing the low bid for this work, the price breakdown for the mobilization line item was close to estimates but the cost for the steel pilings and coatings were higher than the cost estimate. In addition, overall regulatory and permitting requirements have taken longer and have been more expensive than anticipated when the project cost estimate was developed two years ago. Staff recommends proceeding with this project with the cost increase as implementation will improve vessel mooring and provide full operational flexibility to moor larger WETA vessels at this site as needed.

Table 2 Project Costs

Project Component	Cost
Marine Construction, Pilings, Mobilization/Demobilization	\$274,750
Construction Contingency 9.2%	\$ 25,250
Engineering, Permitting, Construction Management, Monitoring	\$ 90,000
WETA Direct Purchase of Donut Fenders	\$ 51,800
WETA Project Management and Administration	\$ 4,700
Total Cost	\$446,500

With contract approval, work for this project will proceed this summer within the in-water work window that opens on August 1. Onsite time will be very limited and will not interfere with ferry operations.

Fiscal Impact

The *Install Mooring Piles - Harbor Bay Ferry Terminal* project is included in the FY 2020/21 Capital Budget with a total project budget of \$251,500. A capital budget increase in the amount of \$195,000, increasing the total project budget to \$446,500, is required to fully fund implementation of all project activities including engineering, construction, permitting and construction management and administration. Local Alameda funds are available to support the project budget increase.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-31

**APPROVE CONTRACT AWARD TO POWER ENGINEERING CONSTRUCTION COMPANY
FOR THE HARBOR BAY FERRY TERMINAL MOORING PILING PROJECT**

WHEREAS, WETA issued an Invitation for Bids (IFB) for marine construction work for the Harbor Bay Ferry Terminal Mooring Piling Project on May 18, 2020; and

WHEREAS, WETA has established procedures in its Administrative Code relating to the selection and contracting of construction services; and

WHEREAS, WETA followed the procedures in its Administrative Code regarding solicitation and evaluation of qualifications; and

WHEREAS, WETA staff has recommended the award of a contract for marine construction services to Power Engineering Construction Company (Power Engineering) for the Harbor Bay Ferry Terminal Mooring Piling project; now, therefore be it

RESOLVED, that the Board of Directors hereby approves entering into an agreement with Power Engineering for marine construction services at the Harbor Bay Ferry Terminal for an amount not to exceed \$300,000, which includes base contract award of \$274,750 and a contingency of \$25,250 (9.2%); and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and enter into an agreement and take any other related actions as may be necessary to support this work; and be it further

RESOLVED, that the Board of Directors hereby approves a budget increase in the FY 2020/21 Capital Budget in the amount of \$195,000, funded with local Alameda revenues, to support full funding of this project.

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 July 16, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-31

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Arthi Krubanandh, Transportation Planner

SUBJECT: Approve Participation in the Clipper START Regional Means-Based Fare Discount Pilot Program

Recommendation

Approve participation in the Clipper START program at the 20 percent Clipper adult fare discount rate and authorize the Executive Director to work to develop a program agreement.

Background

In May 2018, the Metropolitan Transportation Commission (MTC) approved the framework of a 12- to 18-month pilot program to implement a means-based fare program known as Clipper START. This program will offer discounted transit rides to eligible low-income adults on participating transit systems in the Bay Area during the pilot period. The participating transit systems are comprised of four of the large transit operators in the region - Bay Area Rapid Transit (BART), Caltrain, Golden Gate Bridge, Highway and Transportation District (GGBHTD), and the San Francisco Municipal Transportation Agency (SFMTA).

The Clipper START pilot will allow adults who live in the Bay Area and whose annual earnings are up to 200 percent of the federal poverty level to qualify for fare discounts. The program will require riders to use Clipper for fare payment. To offset the anticipated revenue loss and to fund administrative program costs, MTC will direct funds from two sources of regional revenues to participating operators in the initial pilot program. Regional funds will be used for administrative costs first, currently estimated at \$11 million annually. The remainder will cover 10 percent of operators' revenue losses from the regional program.

In January 2020, MTC staff presented an overview and status report of the Clipper START program to the Board, which is now anticipated to launch on July 15, 2020. Board members have consistently expressed strong interest in participating in the program in the event that MTC opens up participation to a wider group of operators.

On June 4, 2020, the Board adopted a Ferry Service Recovery Plan (Recovery Plan) that included a four-point proposal to improve system performance in attracting riders from disadvantaged communities in the WETA service area. One of the strategies articulated in the Recovery Plan is to reduce the impact of ferry fares to many of these communities.

Discussion

At the June 22, 2020 Clipper Executive Board meeting, MTC staff announced that they had developed a path forward to expand the Clipper START program to include more transit operators in the near future and requested that operators communicate their agency's interest

in participating in the program as soon as possible. MTC staff has indicated that they should be able to integrate interested operators into the program by January 1, 2021.

MTC's expanded Clipper Start program is structured to compute the means-based fare discount off of an operator's adult Clipper fare at either a 20 percent or 50 percent discount rate. Since WETA already offers a 25 percent discount off of the adult cash fare for Clipper users, an additional 20 percent Clipper START discount would translate to an overall 40 percent discount from the adult cash fare and a 50 percent Clipper START discount would translate to an overall 62.5 percent discount from the adult cash fare.

Consistent with the initial Clipper START program, MTC has offered to subsidize up to 10 percent of the cost of the program utilizing new Coronavirus Aid, Relief, and Economic Security (CARES) Act funds available to support regional programs. Participating operators are required to fund the balance of the discount offered. Depending upon how many operators elect to participate in the expanded program, the amount of funds available to each operator could be capped. MTC will develop more specific details about the program and potential funding distribution in the coming months.

Ridership and Fare Revenue Impact

As a part of WETA's Five-Year Fare Program development work completed in 2019, WETA's fare specialist consultant, Four Nines Technologies, conducted an analysis of the potential ridership and fare revenue impacts of participating in the Clipper START program with a 50 percent discount from cash fares. This analysis indicated that participating in a program consistent with Clipper START would have a relatively minor impact on ridership and fare revenues. These estimates assumed 2019-era operations and demand, not the new conditions brought on by the COVID-19 pandemic.

Four Nines Technologies has re-run WETA's (pre-COVID-19) baseline fare model to consider the new Clipper START parameters. The model estimates that, with 100 percent of eligible rider participation, WETA participation in Clipper START program at the 20 percent discount rate would result in an average annual ridership increase of 22,000 riders (0.5 percent) and average annual fare revenue loss of \$530,000 (1.5 percent) over a five-year period. WETA participation in the Clipper START program at the 50 percent discount rate would effectively double these figures, resulting in an average annual ridership increase of 46,000 riders (1 percent) and average annual fare revenue loss of approximately \$1 million (3 percent) over a five-year period. With the significant service and ridership reductions anticipated in FY 2020/21 resulting from the COVID-19 pandemic, it is difficult to estimate the potential ridership and fiscal impact of participating in the Clipper START program. However, considering that FY 2020/21 ridership and fare revenues are anticipated to be a small fraction of prior-year levels, it is fair to assume that the financial impact of participating in the Clipper START program will be equally small and not likely to exceed \$25,000 in FY 2020/21.

Recommendation

Staff recommends participating in the Clipper START program with a 20 percent discount, which effectively results in a 40 percent discount from WETA's cash fares for eligible participants. Participating in the Clipper START program would help to achieve a long-term agency objective of broadening WETA's service to a wider community of riders within the Bay Area. It also is consistent with the new goals articulated in the Recovery Plan, as well as the 2016 WETA Strategic Plan. Provided the Board accepts the recommendation, staff will work

with MTC to include WETA in the Clipper START program and work to bring back a formal program agreement for Board approval in the coming months.

Fiscal Impact

The potential fiscal impact is a reduction in fare revenue of approximately 1.5 percent for six months of the year, to be partially funded by MTC. Staff anticipates that the revenue reduction associated with participation in the Clipper START program, as recommended, will not exceed \$25,000 in Fiscal Year 2020/21.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-32

APPROVE PARTICIPATION IN CLIPPER START PILOT PROGRAM

WHEREAS, on January 9, 2020, the WETA Board was provided a status report by Metropolitan Transportation Commission (MTC) staff on the launch of Clipper START, a regional means-based fare discount pilot program; and

WHEREAS, on June 4, 2020, the Board adopted a Ferry Service Recovery Plan that includes reducing the impact of ferry fares for disadvantaged communities in the WETA service area as one of the strategies; and

WHEREAS, on June 22, 2020, at the Clipper Executive Board meeting, MTC staff announced the possibility of including more transit operators in the Clipper START program; and

WHEREAS, staff recommends that the Board approve WETA participation in the Clipper START program at the 20 percent Clipper adult fare discount rate; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves WETA participation in the Clipper START program at the 20 percent Clipper Adult fare discount rate; and be it further

RESOLVED, that the Board of Directors hereby authorizes the Executive Director to develop an agreement with MTC.

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 July 16, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-32

END