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

Thursday, August 6, 2020 at 1:30 p.m.

VIDEOCONFERENCE

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AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. SPECIAL ORDER OF BUSINESS **Action**
 - a. Special recognition of the 50th Anniversary of the Launch of Golden Gate Ferry Service
4. REPORT OF BOARD CHAIR **Information**
 - a. Chair's Verbal Report
5. 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.
6. 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
7. CONSENT CALENDAR **Action**
 - a. Board Meeting Minutes – July 16, 2020

**Water Emergency Transportation Authority
August 6, 2020 Meeting of the Board of Directors**

8. APPROVE CONTRACT AWARD TO KL2 CONNECTS LLC FOR EXECUTIVE SEARCH SERVICES TO ASSIST WITH RECRUITMENT OF EXECUTIVE DIRECTOR

9. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

Action

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 4
REPORT OF BOARD CHAIR

AGENDA ITEM 5
REPORTS OF DIRECTORS

NO MATERIALS

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director

SUBJECT: Special Recognition of the 50th Anniversary of the Launch of Golden Gate Ferry Service

Recommendation

Adopt a resolution of recognition celebrating the 50th anniversary of the launch of the Golden Gate Bridge, Highway and Transportation District's Golden Gate Ferry service.

Discussion

The Golden Gate Bridge, Highway and Transportation District (GGBHTD) launched its Sausalito ferry service connecting Marin County to San Francisco on August 15, 1970. This represented the first public passenger ferry service in the San Francisco Bay Area offered in decades and was followed by additional ferry services originating from Larkspur and Tiburon.

Thanks in large part to the success of Golden Gate Ferry service, public ferry services were launched in Alameda, Oakland, and Vallejo in the 1990s. In 2009, WETA reached agreements to take over these services and make major investments to develop, enhance, and expand ferry service in the Bay Area. The GGBHTD maintained control over the Marin County services. Throughout the planning process and to the present day, WETA has leaned on Golden Gate Ferry's expertise, partnership, and leadership in the ferry space.

Staff at WETA and Golden Gate Ferry continue to work together regularly on a wide variety of projects, including emergency response planning, safety protocols, shared terminals (Oracle Park and Pier 48), and regional, state, and federal advocacy for ferry investment.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-33

**IN RECOGNITION AND CELEBRATION OF THE 50th ANNIVERSARY
OF THE LAUNCH OF GOLDEN GATE FERRY SERVICE**

WHEREAS, in 1969, the Golden Gate Bridge, Highway and Transportation District (GGBHTD) studied the potential for commuter ferry service between Marin County and San Francisco; and

WHEREAS, on August 15, 1970, GGBHTD began its Golden Gate Ferry service connecting Sausalito to San Francisco; and

WHEREAS, on December 11, 1976, GGBHTD launched its Larkspur ferry service, carrying some 6,100 passengers on its opening weekend; and

WHEREAS, on June 17, 1978, GGBHTD dedicated its new terminal in downtown San Francisco; and

WHEREAS, on March 6, 2017, GGBHTD launched its Tiburon commute ferry service; and

WHEREAS, GGBHTD has added new vessels and additional service over the years; and

WHEREAS, the success of Golden Gate Ferry service in the 1970s and 1980s set the stage for new ferry service in the cities of Alameda and Vallejo in the 1990s; and

WHEREAS, the renaissance of passenger ferry service in the San Francisco Bay Area follows from the success of Golden Gate Ferry's Larkspur and Sausalito routes; and

WHEREAS, GGBHTD and WETA have long worked collaboratively to advocate on behalf of ferry service investment at the regional, state, and federal levels; and

WHEREAS, GGBHTD and WETA share a strong commitment to environmental protection of the San Francisco Bay; and

WHEREAS, GGBHTD and WETA both rely on a highly skilled maritime labor force including captains, deckhands, and engineers; and

WHEREAS, GGBHTD is a valued partner in WETA's mission to coordinate emergency water transit in the Bay Area should the need arise due to a major disaster; and

WHEREAS, Golden Gate Ferry staff has long provided kinship and expertise to WETA staff; now, therefore, be it

RESOLVED, that the Board of Directors hereby recognizes and celebrates the Board and staff of the Golden Gate Bridge, Highway and Transportation District upon the 50th anniversary of the launch of Golden Gate Ferry service.

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 August 6, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-33

END

TO: WETA Board Members

FROM: Nina Rannells, Executive Director

DATE: August 6, 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. Launch and sea trials are scheduled for November. Final delivery to San Francisco is anticipated in December 2020. Construction of the second vessel will begin in late 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. On July 29, eight proposals were received and are in the process of being evaluated. 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 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 a contract was awarded to Power Engineering Construction Company (Power Engineering) at the July 16 Board meeting. Work is anticipated for late September during the permitted work window.

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 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 on the electrical connection began 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. A media roll-out plan to celebrate project completion has been developed.

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 of Alameda (Alameda) to the development team - Alameda Point Partners (APP) - included a \$10 million contribution toward the Seaplane Lagoon Ferry Terminal. Alameda 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. On July 22, the United States Coast Guard (USCG) conducted the Seaplane Lagoon Terminal security inspection and found no deficiencies. Alameda and APP completed 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.

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. 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. Final draft study results are anticipated to be shared at the September or October 2020 WETA Board meeting.

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 moved to an on-line platform in June with subsequent rounds of outreach anticipated in the fall.

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 27 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 which was approved by MTC on July 22. 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 and July 20 meetings, 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. Staff will bring forward a discussion and potential action to support this plan at the September meeting.

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 reshape 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 next Task Force meeting is scheduled to take place in late September.

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 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 toward 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 plans to bring an amendment to the Board in September or October.

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. Vallejo ridership experienced a steady average increase of 26 percent on its peak trips between May and June and has remained at this average level in July. In response to increasing ridership levels between May and June, 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 June 2020 is provided as **Attachment A**.

KEY BUSINESS MEETINGS AND EXTERNAL OUTREACH

On July 15, Thomas Hall participated in the monthly meeting of the Visit Vallejo Board of Directors.

On July 17, Nina Rannells participated in a Bay Planning Coalition Government Affairs Committee meeting with Assemblymember Mullin.

On July 27, Nina Rannells participated in the Clipper Executive Committee meeting.

On July 27, Kevin Connolly presented a summary of WETA's Ferry Service Recovery Plan to a forum hosted by the Bay Planning Commission.

OTHER BUSINESS

Clipper START

The regional means-based fare pilot program, Clipper START, was launched on July 15, 2020.

This program offers 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). In late June, MTC announced that they had identified a path forward to expand the pilot program to include additional Bay Area operators and had opened the program up for greater participation.

At the July 16 meeting, the Board took action to request participation in this program offering a 50% discount from WETA's adult cash fare. MTC has granted this request and is working to create the final details of the expansion pilot together for Commission consideration. In total, it is anticipated that 18 additional Bay Area transit operators will join the pilot program as a part of this expansion effort. Staff will work to identify any additional WETA actions required to participate in this program and bring these actions forward for Board consideration in the coming months. MTC anticipates the expansion pilot program to be in place by January 2021.

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, the plaintiffs filed a petition for rehearing before the Court of Appeal, which was denied on July 13. The plaintiffs have until August 10 to 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 June 2020

		Alameda/ Oakland	Harbor Bay †	Richmond †	South San Francisco †	Vallejo	Systemwide
Vs. last month	Total Passengers June 2020	4,378		679		6,912	11,969
	Total Passengers May 2020	1,675				2,855	4,530
	Percent change	161.37%				142.10%	164.22%
Vs. same month last year	Total Passengers June 2020	4,378		679		6,912	11,969
	Total Passengers June 2019	139,376	30,097	16,499	11,575	104,596	302,143
	Percent change	-96.86%	-100.00%	-95.88%	-100.00%	-93.39%	-96.04%
Vs. prior FY to date	Total Passengers Current FY To Date	1,006,824	246,657	158,199	103,798	783,379	2,298,857
	Total Passengers Last FY To Date	1,384,443	355,713	84,576	142,479	1,081,665	3,048,876
	Percent change	-27.28%	-30.66%		-27.15%	-27.58%	-27.79%*
Ops Stats	Avg Weekday Ridership June 2020	199		45		314	558
	Passengers Per Hour June 2020	43		11		26	28
	Revenue Hours June 2020	102		62		269	433
	Revenue Miles June 2020	1,395		1,134		7,572	10,101
	Farebox Recovery Year-To-Date	45%	43%	26%	34%	49%	44%
	Cost per Available Seat Mile – June 2020	\$1.63		\$0.67		\$0.67	\$0.72
	Average peak hour utilization, AM – June 2020	7%		4%		10%	7%
	Average peak hour utilization, PM – June 2020	11%		5%		12%	9%
	Fuel Used (gallons) – June 2020	12,750		9,580		44,782	67,112
	Avg Cost per gallon – June 2020	\$1.66		\$1.74		\$1.67	\$1.68

† Service suspended on these routes due to COVID-19

‡ Richmond service resumed Monday, June 15

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

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Planning & Development Manager
Taylor Rutsch, Transportation Planner

SUBJECT: Monthly Ridership and Recovery Report

Recommendation

There is no recommendation associated with this informational item.

Background

The WETA Ferry Service Recovery Plan (Plan) states that ferry service will restart at minimum levels to match expected reduced demand. Modifications in service will generally follow state guidelines for reopening the economy and subsequent changes in demand. The Plan calls for a monthly evaluation of ridership demand together with other measures relating to how the Bay Area is responding to the COVID-19 health crisis. The Monthly Ridership and Recovery Report presents a status report of the WETA system along with anticipated service adjustments for the upcoming weeks.

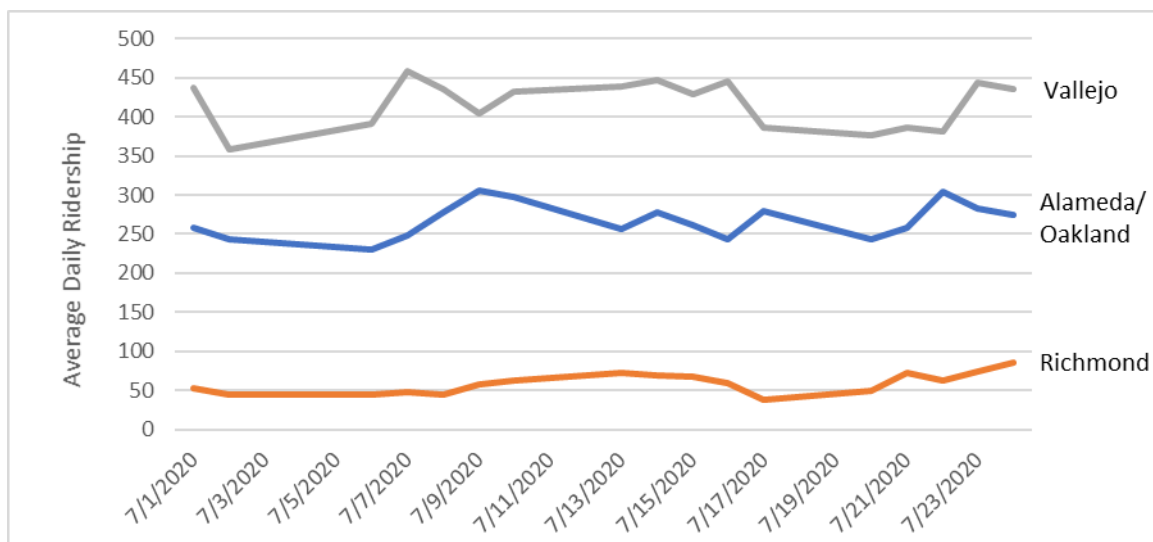
Discussion

1. Ridership and Forecasting

Systemwide

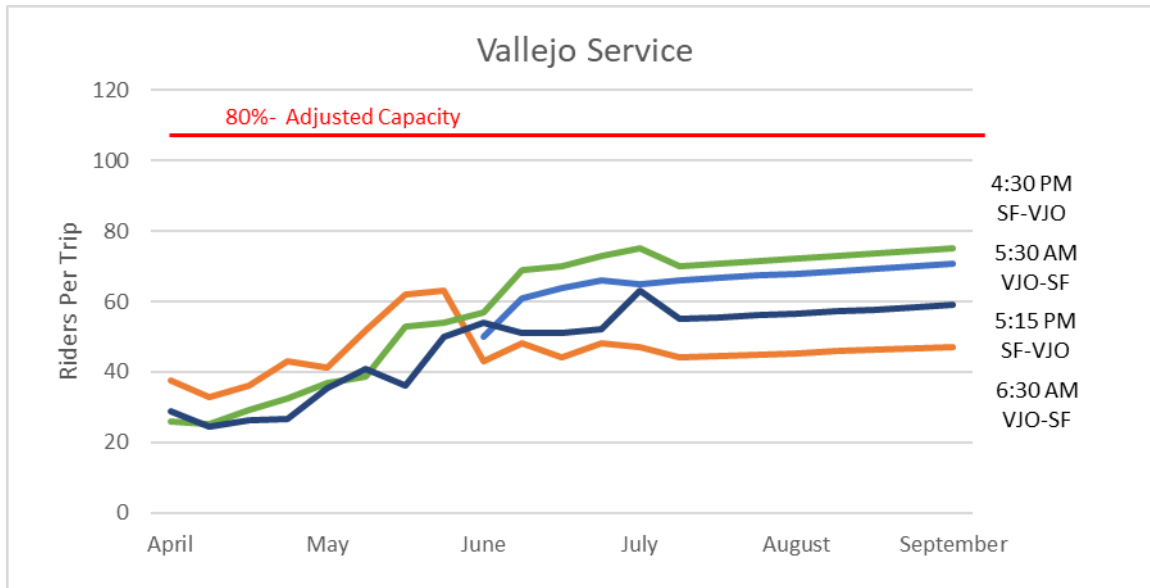
Systemwide ridership totaled 14,805 in July, a 17% increase from June. However, ridership has been static or experiencing a downward trend in the second half of the month. Overall, occupancy has not approached the 80 percent threshold on most trips.

Alameda/Oakland trips have experienced low ridership in the later morning departures with early morning and 5:30 p.m. departures showing the highest ridership levels. After a very slow start, Richmond service has seen some recent activity with some departures attracting double-digit numbers of riders. Vallejo continues to have healthy ridership in the early morning departures at 5:30 a.m. and 6:30 a.m.



Vallejo

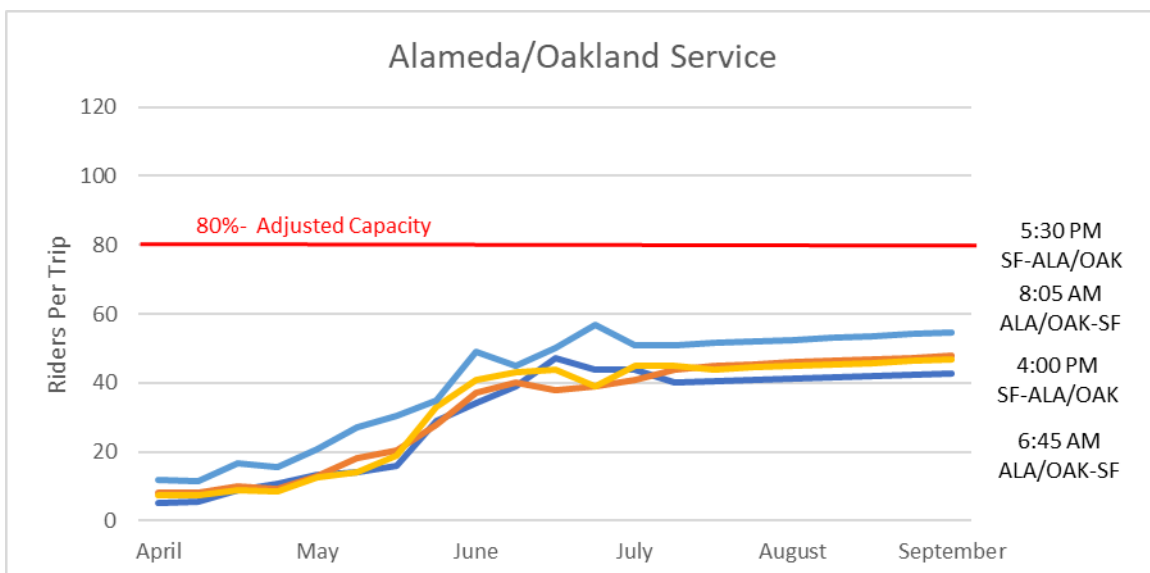
After a strong month of June, Vallejo ridership has either remained static or declined in the latter half of July. Ridership declined 6% the week of July 20 after a modest 1% increase the previous week. While the Vallejo outlook at the beginning of July was forecasting the need for additional service by mid-August, that date has now been pushed out through mid-September. Vallejo ridership is now projected to grow 1% weekly, based on its new rolling ridership average.



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

Alameda/Oakland

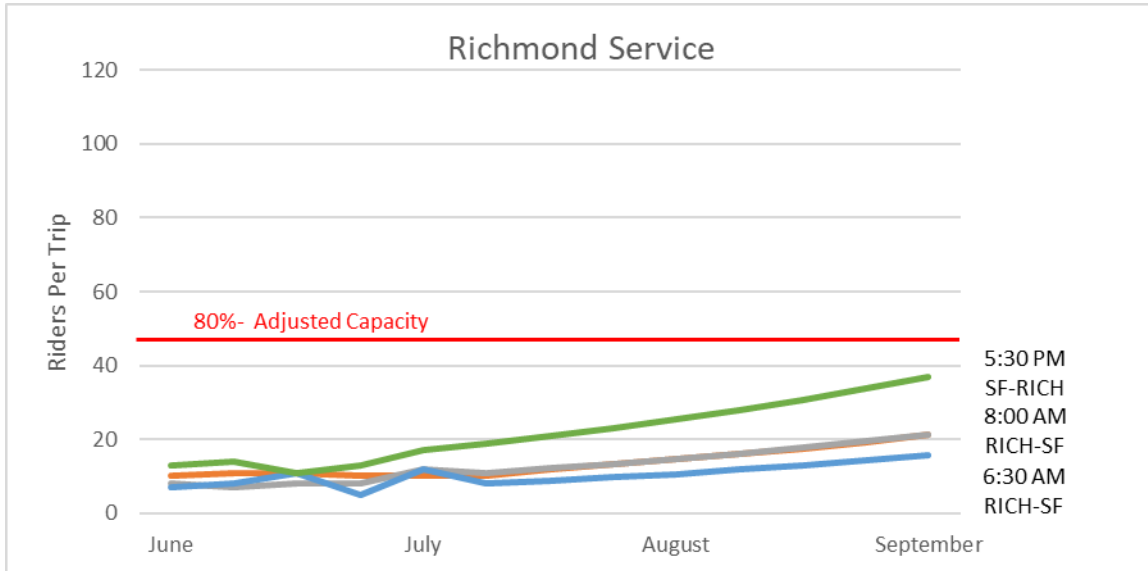
Alameda/Oakland ridership has experienced a similar pattern as Vallejo, with ridership either unchanged or declining over the second half of July. The Alameda/Oakland service does not have any trips that are currently at risk of reaching the adjusted capacity threshold over the next two months. Alameda/Oakland 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

Richmond

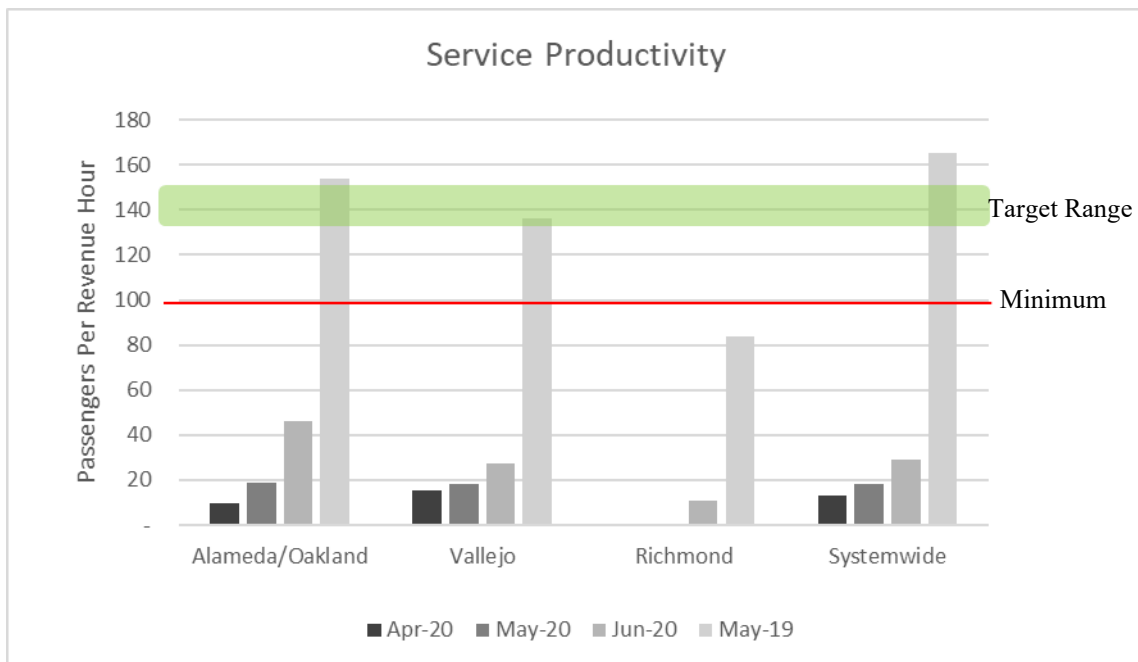
Richmond ridership has seen relatively strong growth for the month of July, with double-digit growth each week since July 6. Because Richmond only restarted in June and ridership was at modest levels, there is not an immediate concern that capacity limits will be reached. Smaller vessels are currently in service in Richmond and the terminal has the capability of receiving larger vessels such as those in the Hydrus or Pyxis classes. Based on recent growth, Richmond ridership is projected to grow 10% weekly.



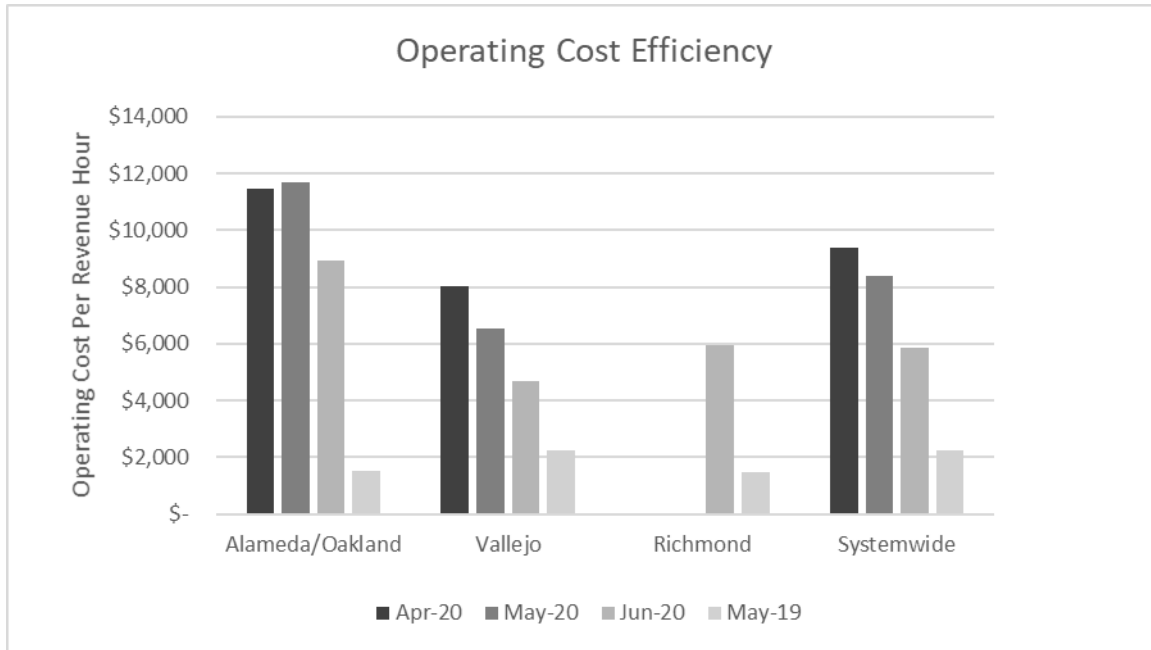
*Adjusted capacity assumes the vessels will be limited to 25% capacity due to social distancing requirements

2. Service Productivity and Efficiency

Systemwide passengers per revenue hour increased from 18 in May to 29 in June. It remains well below the board-established 100 passenger/hour minimum.



Systemwide operating cost per revenue hour decreased by 30% from May to June.



3. Regional Context

Over the last 14 days California had 130,042 new COVID-19 cases, a 39% increase from the previous two weeks. The Bay Area also had a significant amount of new cases. The Governor has placed every Bay Area county except for San Mateo on a state Watch List, given the rapidly 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	10,645	31%
Contra Costa	7,256	49%
San Francisco	5,825	27%
San Mateo	5,108	26%
Solano	3,198	56%

Bay Area bridges experienced more traffic over the month of July and BART experienced relatively strong growth. WETA had been keeping pace with these other two transportation system indicators but has experienced comparatively weaker growth since June.

Agency	% of normal ridership/traffic levels July 2020
WETA	7%
BART	11%
BATA Bridges (7-total)	80%

4. Outlook and Recommendations

The slowing ferry ridership trends that began in early July have continued through the end of the month, with the modest exception of Richmond. The larger health context in the Bay Area is indicating that there has been regression in fighting the virus and plans for opening the economy have been adjusted as a result.

Given recent trends and the available capacity on all three active services, staff recommends no change to service levels in Alameda/Oakland, Vallejo, and Richmond. This means that the Seaplane Lagoon Terminal will likely open in September at the earliest, provided that current trends improve. Staff continues to be in regular communication with City of Alameda staff regarding the new terminal.

Staff also recommends that commuter services in South San Francisco and Harbor Bay remain suspended until indicators improve for ferry demand and the larger Bay Area economy.

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 Twelve Months
Ending June 30, 2020**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2019/20 Financial Statements for twelve months ending June 30, 2020.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenues	\$22,434,943	\$24,520,000	\$17,170,188
Federal - CARES Act	-	-	3,099,597
State Operating Assisatnce	-	-	322,500
Bridge Toll Revenues	18,355,769	22,142,300	17,403,750
Contra Costa Measure J	1,240,188	3,308,200	2,488,942
Alameda Measure B/BB	-	-	-
Other Revenues	20,396	731,400	1,331,699
Total Operating Revenues	\$42,051,295	\$50,701,900	\$41,816,676
Expenses - Year To Date:			
Planning & Administration	\$2,533,515	\$3,000,000	\$3,000,000
Ferry Services	39,517,780	47,701,900	38,816,676
Total Operatings Expenses	\$42,051,295	\$50,701,900	\$41,816,676
System-Wide Farebox Recovery %	57%	51%	44%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2019/20 Budget
Revenues:		
Federal Funds	\$17,052,485	
State Funds	16,785,255	
Bridge Toll Revenues	6,584,459	
Other Revenues	929,407	
Total Capital Revenues	\$41,351,606	55.27%
Expenses:		
Total Capital Expenses	\$41,351,606	55.27%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Twelve Months Ending 6/30/2020

	Jun-20 Actual	Year - To - Date			Variance To FY2019/20 Budget
		FY2018/19 Actual	FY2019/20 Budget	FY2019/20 Actual	
OPERATING EXPENSES					
PLANNING & GENERAL ADMIN:					
Wages and Fringe Benefits ⁷	\$494,211	\$1,273,574	\$1,508,900	\$2,411,669	\$902,769
Services	57,693	1,145,081	1,768,900	1,104,992	(\$663,908)
Materials and Supplies	6,936	175,488	62,400	15,721	(\$46,679)
Utilities	6,876	47,022	51,500	47,912	(\$3,588)
Insurance	14,511	25,438	28,600	15,557	(\$13,043)
Miscellaneous	7,467	236,398	109,600	53,797	(\$55,803)
Leases and Rentals	32,358	384,961	385,200	389,576	\$4,376
Admin Overhead Expense Transfer	(91,069)	(754,447)	(915,100)	(1,039,225)	(\$124,125)
Sub-Total Planning & Gen Admin	\$528,982	\$2,533,515	\$3,000,000	\$3,000,000	\$0
FERRY OPERATIONS:					
Harbor Bay FerryService (AHBF)					
Purchased Transportation	\$2,608	\$2,502,757	\$2,529,900	\$1,746,455	(\$783,445)
Fuel - Diesel & Urea	-	506,548	556,500	394,079	(\$162,421)
Other Direct Operating Expenses	(51,645)	507,235	789,000	375,721	(\$413,279)
Admin Overhead Expense Transfer	-	91,729	100,900	84,240	(\$16,660)
Total Harbor Bay	(\$49,037)	\$3,608,269	\$3,976,300	\$2,600,495	(\$1,375,805)
Farebox Recovery - AHBF	0%	46%	45%	43%	-2%
Alameda/Oakland Ferry Service (AOFS)					
Purchased Transportation	\$701,639	\$9,133,778	\$9,588,500	\$9,354,218	(\$234,282)
Fuel - Diesel & Urea	21,133	1,918,285	2,158,200	1,458,398	(\$699,802)
Other Direct Operating Expenses	147,961	1,948,258	2,760,100	1,931,058	(\$829,042)
Admin Overhead Expense Transfer	38,509	328,919	409,600	472,668	\$63,068
Total Alameda/Oakland	\$909,242	\$13,329,240	\$14,916,400	\$13,216,341	(\$1,700,059)
Farebox Recovery - AOFS	5%	58%	57%	45%	-12%
Vallejo FerryService (Vallejo)					
Purchased Transportation	\$885,862	\$10,662,838	\$11,867,800	\$10,991,618	(\$876,182)
Fuel - Diesel & Urea	74,942	5,116,083	6,332,600	3,866,321	(\$2,466,279)
Other Direct Operating Expenses	246,192	1,623,140	2,456,400	2,078,318	(\$378,082)
Admin Overhead Expense Transfer	48,950	274,863	309,200	399,215	\$90,015
Total Vallejo	\$1,255,946	\$17,676,924	\$20,966,000	\$17,335,472	(\$3,630,528)
Farebox Recovery - Vallejo	11%	65%	57%	49%	-8%
South San Francisco FerryService (SSF)					
Purchased Transportation	\$8,144	\$2,336,778	\$2,405,900	\$1,591,707	(\$814,193)
Fuel - Diesel & Urea	-	380,031	447,300	278,888	(\$168,412)
Other Direct Operating Expenses	20,689	415,238	495,700	370,280	(\$125,420)
Admin Overhead Expense Transfer	-	47,730	43,700	37,060	(\$6,640)
Total South San Francisco	\$28,834	\$3,179,777	\$3,392,600	\$2,277,936	(\$1,114,665)
Farebox Recovery - SSF	0%	33%	35%	34%	-1%
Richmond FerryService (Richmond)					
Purchased Transportation	\$311,545	\$1,319,491	\$3,408,800	\$2,542,917	(\$865,883)
Fuel - Diesel & Urea	16,628	219,752	552,400	369,811	(\$182,589)
Other Direct Operating Expenses	35,734	173,121	437,700	427,663	(\$10,037)
Admin Overhead Expense Transfer	3,610	11,206	51,700	46,042	(\$5,658)
Total Richmond	\$367,516	\$1,723,570	\$4,450,600	\$3,386,433	(\$1,064,167)
Farebox Recovery - Richmond	1%	28%	26%	26%	0%
Sub-Total Ferry Operations	\$2,512,500	\$39,517,780	\$47,701,900	\$38,816,676	(\$8,885,224)
Farebox Recovery - Systemwide	8%	57%	51%	44%	-7%
Total Operating Expenses	\$3,041,483	\$42,051,295	\$50,701,900	\$41,816,676	(\$8,885,224)
OPERATING REVENUES					
Fare Revenue	194,632	\$22,434,943	\$24,520,000	\$17,170,188	(\$7,349,812)
Federal Operating Assistance	-	-	-	3,099,597	3,099,597
State Operating Assistance	322,500	-	-	322,500	322,500
Regional - Bridge Toll	902,884	18,355,769	22,142,300	17,403,750	(4,738,550)
Regional - Contra Costa Measure J	362,139	1,240,188	3,308,200	2,488,942	(819,258)
Regional - Alameda Measure B/BB	-	-	-	-	-
Regional - Alameda Tax & Assessment	1,259,328	-	728,000	1,305,229	577,229
Other Revenue	-	20,396	3,400	26,470	23,070
Total Operating Revenues	\$3,041,483	\$42,051,295	\$50,701,900	\$41,816,676	(\$8,885,224)

¹ Increase in Wages and Fringe Benefits is attributed to paying down a portion of the unfunded liabilities for retirement health benefits which will lower future years' annual contribution.

San Francisco Bay Area Water Emergency Transportation Authority
FY 2019/20 Statement of Revenues and Expenses
For Twelve Months Ending 6/30/2020

Project Description	Jun-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:							
FACILITIES:							
Terminal Construction							
Downtown Ferry Terminal Expansion - South Basin ¹	\$50,624	\$98,965,000	\$78,915,751	\$19,049,249	\$15,877,126	\$1,000,000	96%
Maintenance and Operations Facilities							
Ron Cowan Central Bay Operations & Maintenance Facility	145,147	69,500,000	63,197,399	6,302,601	1,150,681	-	93%
Terminal Improvement							
Install Mooring Piles - Harbor Bay Terminal	20,549	251,500	-	251,500	59,927	-	24%
Terminal Signage and Wayfinding - East Bay Terminals	-	135,000	-	135,000	-	-	0%
FERRY VESSELS:							
Vessel Construction							
445-Pax Expansion (Waterjet) Vessels - 2 vessels	759,925	46,745,000	28,771,355	17,973,645	14,552,937	-	93%
400-Pax Expansion (Propeller) Vessels - 2 vessels	211,583	33,400,000	32,943,928	456,072	211,583	-	99%
New Commuter Class High-Speed Vessels - 2 vessels	16,487	30,082,500	7,421,609	7,878,391	4,336,737	14,782,500	39%
Vessel Replacement - M/V Solano and MV Bay Breeze	2,194	34,600,000	145,099	16,000,901	106,619	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	98	240,000	-	240,000	125,730	-	52%
Vessel Engine Overhaul - M/V Gemini	-	515,350	-	515,350	454,641	-	88%
Vessel Engine Overhaul - M/V Pyxis	-	170,000	-	170,000	-	-	0%
CAPITAL EQUIPMENT / OTHER:							
Purchase Service Vehicles	-	185,000	-	185,000	28,125	-	15%
Total Capital Expenses	\$1,206,605	\$321,594,700	\$212,542,090	\$74,816,110	\$41,351,606	\$34,236,500	
CAPITAL REVENUES:							
Federal Funds	\$1,835	\$62,810,843	\$22,485,494	\$33,068,849	\$17,052,485	\$7,256,500	63%
State Funds	1,183,765	196,739,257	151,568,893	31,375,649	16,785,255	13,794,715	86%
Regional - Bridge Toll	(572)	47,127,980	37,593,689	8,732,479	6,584,459	801,812	94%
Regional - Alameda Sales Tax Measure B / BB	1,029	2,201,070	14,014	1,032,633	589,480	1,154,423	27%
Regional - Alameda TIF / LLAD / HBBPA	20,549	386,500	-	386,500	59,927	-	16%
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	\$1,206,605	\$321,594,700	\$212,542,090	\$74,816,110	\$41,351,606	\$34,236,500	

¹ On 6/4/2020, Board approved project budget increase of \$1,000,000, bringing total project budget to \$98,965,000 from \$97,965,000.

TO: WETA Board Members

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

SUBJECT: WETA Federal Legislative Board Report – August 2020

This report covers the following topics:

1. FTA Awards Funding to WETA for Alameda Ferry Terminal
2. Congress Passes Legislation Allowing WETA to “Repurpose” Previously Earmarked Federal Funding
3. Surface Transportation Reauthorization / Funding for WETA
4. Senate COVID Bill Introduced – Does Not Include Funding for Transit

FTA Awards Funding to WETA for Alameda Ferry Terminal

WETA received \$4,456,000 through the Federal Transit Administration (FTA) Ferry Grant Program to refurbish the Alameda Ferry Terminal. This was the amount requested by WETA and was the only grant awarded for a California project. We worked with WETA staff to get letters of support from Speaker Nancy Pelosi, Senator Dianne Feinstein, and Representatives John Garamendi and Barbara Lee – all letters were conveyed to FTA during the review process.

Congress Passes Legislation Allowing WETA to “Repurpose” Previously Earmarked Federal Funding

Based in part on a request from WETA several years ago, Senator Dianne Feinstein has continued to champion legislative language in the annual Transportation-HUD Appropriations bill authorizing the U.S. Department of Transportation (DOT) to “repurpose” funding that was appropriated for specific projects (earmarks) ten or more years ago. Money that was earmarked by Congress prior to the current earmark ban going into place can only be spent on its intended purpose – ironically, the earmark ban prevents Congress from re-allocating unspent funds for specific projects.

With language included in the FY2019 and FY2020 Transportation-HUD Appropriations bill, WETA is able to “repurpose” unallocated FY2008 and FY2009 funds, totaling \$1,117,346. WETA is currently working with MTC to repurpose the funds – MTC has submitted an allocation request to the State of California, per the Congressional authority granted in the appropriations bill. The funds were initially allocated to projects associated with the Berkeley ferry service.

Surface Transportation Reauthorization / Funding for WETA

The FAST Act, which provides funding for transit, highway, bridge, rail, freight, and intermodal projects, expires on September 30. Unless the Senate takes up and passes legislation to replace the FAST Act before that date, Congress will need to extend current law before it expires – any extension will likely go into 2021.

As reported previously, the House took up and passed a new surface transportation bill in June. Due to our persistent lobbying campaign over the past few years, the surface transportation bill (which was rolled into the House comprehensive infrastructure bill) increases funding for the Federal Highway Administration (FHWA) ferry formula program from \$80 million per year to \$120 million per year; and more than doubles funding for the 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

If Congress does in fact extend current law into 2021, we will work with the new Congress to include the aforementioned funding increases in whatever surface transportation bill is taken up at the time.

Senate COVID Bill Introduced – Does Not Include Funding for Transit

Senate Majority Leader Mitch McConnell unveiled legislation to provide approximately \$1 trillion in funding to help government, business and individuals respond to the health care and economic crisis caused by the COVID-19 pandemic. While the House-passed Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (the COVID bill taken up and passed by that Chamber in May) contains \$15.75 billion for transit agencies, the Senate bill does not contain additional funding for transit.

Just as the HEROES Act represented the negotiating position of House Democrats, the Senate bill represents the negotiating position of Senate Republicans and the White House. A number of issues will need to be resolved – including funding for transit – and as a result, negotiations between House and Senate Leaders, and the President, are expected to extend into August. We will continue working with other transit agencies to advocate for additional funding for operations and for costs associated with responding to the COVID pandemic. The American Public Transit Association (APTA) recently updated its request to Congress from the \$23.8 billion requested in May to between \$32 billion and \$36 billion.

Respectfully Submitted,

Peter Friedmann and Ray Bucheger



TO: WETA Board of Directors

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

DATE: July 27, 2020

RE: August 2020 - Legislative Update

COVID-19 Legislative Update

Today the legislature reconvened from a prolonged summer recess due to concerns around COVID-19. They are scheduled to hear a few hundred remaining bills and may make adjustments to the state budget based on updated tax information prior to adjourning on August 31.

CA Transit Association Funding Request - \$3.1 Billion

On June 29, the CA Transit Association submitted a letter 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/>.

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 until August 2020. 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 of interest are noted 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. Unfortunately, SB 288 will not be heard during the 2020 legislative session but may be reintroduced when the 2021 session starts in December.

- 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 due to COVID-19. Will find out later this week.

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

(July 16, 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 12:30 p.m. He welcomed staff and meeting guests and noted that the meeting was being recorded. Chair Wunderman also advised how guests could sign up to speak to Directors throughout the meeting.

Chair Wunderman welcomed Monique Moyer to the Board and noted that she had been appointed by California Governor Gavin Newsom. He said her experience working on many important issues with the City of San Francisco, the Port of San Francisco, and with WETA will be an invaluable asset to WETA. Chair Wunderman said a second new Board member, Jessica Alba, had been appointed by California Speaker Anthony Rendon, and it was expected she would be attending her first meeting as a WETA Board member in August.

2. ROLL CALL

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

3. REPORT OF BOARD CHAIR

Chair Wunderman thanked his fellow Directors Intintoli and DelBono for assuring that the WETA Board consistently had a quorum at all its meetings this year despite having only three Board members. He also thanked Executive Director Nina Rannells for her service and said that he and Director DelBono were working to identify search firms to assist in finding her replacement. The Chair said he expected to bring a recommendation to the Board for that work at the August meeting.

Chair Wunderman reported that he continued his work on the Metropolitan Transportation Commission's (MTC) Blue Ribbon Transit Recovery Task Force (Task Force) and noted that it had been a difficult process but that the second and final Coronavirus Aid, Relief, and Economic Security (CARES) Act funding distributions to various Bay Area agencies were expected to be finalized soon. He noted that the Task Force would then be focusing on the strategic work of creating a more logical Bay Area regional transportation system that maximizes agencies' strengths and joins forces where possible. Chair Wunderman said that as this work progresses over the next few months, he will report back to the WETA Board on these efforts.

4. REPORTS OF DIRECTORS

Directors Intintoli and DelBono welcomed Director Moyer to the WETA Board and said they looked forward to working with her and Director Alba.

Director Moyer thanked Directors for the warm welcome, said she was extremely happy to join the WETA Board, and was delighted, impressed, and pleased to see all of the progress WETA had made

over the last four years since she has been away from the waterfront. She said she was looking forward to her work on the Board despite the current challenging times. Director Moyer thanked WETA crews and said she believed that as people return to work, they will be drawn to the ferry for their commutes because they are safe due to the hard work done by WETA staff and crews.

Director Moyer said that she has a passionate interest in water transportation and the San Francisco waterfront. She said she presently worked at global commercial real estate entity, CBRE on the commercial side working with corporations around the world and that prior to that she had worked as the Director for the Port of San Francisco (Port) where she served under two mayors. Director Moyer said that during her lengthy tenure at the Port, she became increasingly passionate about the important roles Bay Area city waterfronts and water transportation generally played in emergency response. She said she was especially interested in water transportation emergency response in San Francisco, since it was geographically water-bound on three sides, and she noted that there had never been a major emergency event in San Francisco that had not been supported or defended by the water. Director Moyer said she had started her career in investment banking, working on the capital market side on transactions that were of benefit to the public sector. She said her commute into San Francisco for that position was made by ferry and she subsequently learned of the crucial role the ferry has played in San Francisco's history. Director Moyer said she looked forward to her new partnership with WETA.

5. REPORTS OF STAFF

Ms. Rannells provided her written report to Directors and welcomed questions. She welcomed Director Moyer with whom she had worked during her Port of San Francisco tenure. Ms. Rannells said she look forward to working with her again as a WETA Director.

Ms. Rannells updated Directors on the status of Regional Measure 3 legal challenges and said that on June 29, the Court of Appeal issued its opinion in the two pending cases challenging the validity of RM3 and had affirmed the trial court's decision that the RM3 voter-approved toll increase is not a tax. She said that on July 8 the plaintiffs filed a petition for a rehearing before the Court of Appeals which was denied on July 13. Ms. Rannells explained that the plaintiffs now had until August 10 to file a petition for rehearing before the California Supreme Court, which would be at the discretion of the Supreme Court to grant.

Ms. Rannells noted that a new report had been included with her Executive Director's report this month. She said the new Monthly Ridership and Recovery Report, Item 5b on the agenda, would be included in her report for Directors to help clarify WETA's ridership trends and system status each month. Ms. Rannells introduced Planning & Development Manager Kevin Connolly to provide a review of the new report and WETA's service recovery to date.

Mr. Connolly said staff would return to the Board each month with this new report until further notice to review data and trends during the dynamic virus pandemic landscape. He shared a PowerPoint presentation on WETA's ridership and system status with Directors and noted that service delivery was challenging under normal circumstances but especially so in the current unknown landscape. Mr. Connolly explained that the Monthly Ridership and Recovery Report will help staff and Directors better forecast future system changes that will be needed.

Mr. Connolly reviewed a summary of WETA's recovery plan and noted that when a service reaches an average 80 percent capacity threshold and passengers start getting left behind, that service should be enhanced to prevent the leave-behinds. He said that WETA's 400-capacity vessels were now 100-capacity vessels due to social distancing recommendations in the areas that WETA serves.

Mr. Connolly explained that based on prior years, staff had expected that in June 2020, ridership would be 14K to 15K passengers. He said ridership was instead about 300 passengers, about a 93 percent drop. Mr. Connolly reminded Directors of their approval on June 15 to enhance Vallejo service and to add Richmond service. He said Vallejo has seen the most consistent ridership trends and noted that the 4:30 p.m. trip vessel is inching toward capacity. Mr. Connolly explained that many construction workers take the 5:30 a.m. Vallejo trip and it has been increasing steadily by about 5 percent each week. He said staff expects that the service will need to be enhanced again before the end of August to mitigate leave-behinds.

The Alameda/Oakland service, Mr. Connolly said, had seen a slight uptick in the last week but prior to that had not seen a significant level of ridership. He noted that there had been periods of decline in the ridership and that as a result, the Alameda/Oakland service had not been enhanced.

Mr. Connolly said the three round trips on the Richmond service had seen mostly single digit ridership across all trips. He reminded Directors that the Richmond service was only reactivated a month ago and said staff remained hopeful that the Richmond ridership will increase provided that the Bay Area recovery turns around.

Mr. Connolly said staff had done an informal survey of its riders using BayAlerts, WETA's excellent communication system tool, and the results showed that people were uncertain about how and when they were going to be returning to work. He said Harbor Bay and South San Francisco riders have historically tended to respond to WETA's surveys in much higher numbers than the other services' riders. Mr. Connolly explained that staff had used the BayAlerts survey as an opportunity to share WETA's Passenger and Crew Safety Plan which had received very positive feedback. He noted that most passengers surveyed reported that they would be comfortable riding WETA vessels at 50 percent capacity.

Mr. Connolly said that unfortunately, the State and the Bay Area has regressed quite a bit in recovery efforts since the Board last met. He said many Bay Area counties WETA serves were now on the State's virus cases watchlist and that WETA's service recovery was currently showing about the same growth rate as BART and the bridges.

In summarizing his presentation, Mr. Connolly said Vallejo service will need enhancement by the middle or end of August, that the Richmond and Alameda/Oakland services did not need enhancement at this time, and that staff recommended against starting the new Seaplane Lagoon ferry service in Alameda on August 3 as originally planned. He said the new Seaplane Lagoon terminal looked great but the expected number of riders for the new service right now would likely be in the single digits. Mr. Connolly noted that since the Harbor Bay and South San Francisco services were commuter-only services, it would also be unwise to restart either of those routes right now. He added that staff hoped this will change by the time the Board meets again in August.

Director DelBono asked that staff share a slide with the Directors every month, along with the new report, that clearly shows updated and current ridership numbers for WETA's services. Ms. Rannells said the new report will be accompanied by some visual guides each month but that the presentation to Directors will likely not include a history as extensive as presented today.

In response to a question from Director DelBono, Mr. Connolly said City of Alameda staff was disappointed to not be able to launch the new Seaplane Lagoon service on August 3, but they also expressed appreciation at having some extra time to put their finishing touches on the new Seaplane Lagoon terminal and surrounding area. He said they also recognized that it did not make sense to

restart the Alameda Harbor Bay service at this time given the low number of Alameda residents who were returning to work.

Director DelBono said he agreed that with ridership as low as it currently was on the Alameda/Oakland service route that it did not make sense to introduce the new Seaplane Lagoon service in just a few weeks.

In response to a question from the Chair, Mr. Connolly said the Redwood City ferry feasibility study managed by the Port of Redwood City and the City of Redwood City was expected to be shared with the WETA Board in September and would likely be sent to the Redwood City City Council and Port of Redwood City Commission later that month or in October.

Chair Wunderman called for public comments on the Executive Director's Report and there were none.

6. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- 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

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, Moyer, Wunderman. Nays: None. Absent: Alba.

7. APPROVE FISCAL YEAR 2020/21 OPERATING BUDGET ADJUSTMENT

Ms. Rannells presented this item to approve WETA's Fiscal Year 2020/21 Operating Budget Adjustment. She said this item was the follow-up to the very extensive work done in June and she noted that the item was similar to what Directors had discussed then but with final dollar figures.

Ms. Rannells explained that if approved by Directors, this item would adjust the budget to reduce expenses and revenue by \$7,525,300 and authorize extension of the paid status of Blue & Gold Fleet WETA crews for the full fiscal year, unless and until modification by the Board in the event that conditions change during the year. She noted that, as Directors discussed at length in June, this approval will give WETA a balanced budget for its new fiscal year.

Director Moyer said the staff report had been extremely descriptive, and she thanked Directors and Ms. Rannells for working so creatively to inflict the least amount of pain on WETA staff and riders as possible.

Director DelBono expressed his gratitude to WETA crews and staff during this very challenging time, and he made a motion to approve the item.

Chair Wunderman said he was very proud of the work that had gone into the budget and that it made him realize what a wonderful family WETA has in Bay Area water transit. He said he remained positive that when the weather begins to warm up that people will start taking the ferry in greater numbers and that the WETA team would continue its diligent work to assure that happens.

Chair Wunderman called for public comments and there were none.

Director Intintoli seconded the motion and the item passed unanimously.

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

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

Operations & Maintenance Manager Keith Stahnke presented this item to approve contract award to Power Engineering Construction Company (Power Engineering) for the Harbor Bay Ferry Terminal Mooring Piling Project. In response to a question from the Chair, he explained that the permit cost for the project had increased because there had been quite a bit of interest in the project from various regulatory agencies that typically would not have participated, including the California Department of Fish and Wildlife which had concerns about an eelgrass bed located adjacent to the terminal, and the City of Alameda which had requested full engineering reports and specifications before they would allow the work to be done.

Director Moyer asked if staff anticipated any significant risks to being able to complete the work in the work window, and Mr. Stahnke said that was unlikely because the project entails driving just two pilings at a site where WETA has done this kind of work before. He added that Power Engineering, WETA's contractor for the project, was a trusted and efficient partner and that the onsite work was expected to take fewer than two days to complete.

Chair Wunderman called for public comments and there were none.

Director Intintoli made a motion to approve the item.

Director Moyer seconded the motion and the item passed unanimously.

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

9. APPROVE PARTICIPATION IN THE CLIPPER START REGIONAL MEANS-BASED FARE DISCOUNT PILOT PROGRAM

Mr. Connolly presented this item for Directors to approve WETA's participation in the Clipper START Regional Means-Based Fare Discount Pilot Program at a discount rate of 20 percent off the Clipper adult fare, which would be equal to about a 40 percent discount off WETA's adult cash fare.

Mr. Connolly explained that Clipper START, Clipper's mean-based fare discount program, would begin with a 12- to 18- month pilot program. He noted that the program's discounts will benefit those Bay Area transit users with gross annual incomes at or below twice the federal poverty level who provide identification and proof of income to sign up for the program.

Mr. Connolly said WETA had been invited to participate in the program at a rate of either 20 or 50 percent off its standard Clipper adult fare rate and said staff felt that because the standard WETA Clipper adult fare was already discounted by 25 percent that offering the additional 20 percent - for a cumulative 40 percent discount off of WETA's cash fare - was the right discount choice to attract new riders of different income levels to WETA's service. He said a means-based fare has been a long-standing interest to the WETA Board, and especially to Director DelBono, and that WETA's participation in Clipper START had been included in WETA's Recovery Plan.

Mr. Connolly said staff estimated a 1 to 2 percent revenue loss at the 20 percent discount level and noted that the loss would likely rise to about 3 percent if the discount was at 50 percent. He added that the ridership gain would also likely be very small, resulting in about a 1 percent increase in ridership.

Ms. Rannells said that WETA's participation invitation to the program had come in just the last few weeks and that a choice had to be made about whether the discount amount would be 20 or 50 percent. She noted that the discount would only be applied on the Clipper fare rate, not on cash fares which would be preferable for WETA and allow riders who qualify for the discount to choose their fare instrument. She said that despite the MTC restriction of tying the discount to the Clipper fare, staff was very excited about being able to take part in this program and be able to offer more accessibility to WETA's services to all Bay Area residents. Ms. Rannells said this was important work and that MTC staff was expected to bring a recommendation to its commission in the coming months. In response to a question from the Chair, Ms. Rannells said the program had been opened to all agencies in the Bay Area, and it was expected that many of them would be participating.

Director Moyer said she was fully supportive of the recommendation and asked if it made more sense for WETA to participate at the higher 50 percent rate to attract more riders, even if the increase might end up being negligible. Mr. Connolly said the higher discount would be more in line with the discounts WETA already offers and that staff had been disappointed that the program did not support the application of the discounts to cash fares. Ms. Rannells noted that she had asked MTC staff to make an exception to allow WETA to offer the discount off the cash fare and that she had not heard back yet.

Directors agreed that being able to apply the discount to WETA's cash fare was desirable if that option becomes available and that the 50 percent discount was preferable to the 20 percent discount, even if only applied to the Clipper fare. Ms. Rannells said that things were moving very fast and that she would investigate whether WETA can apply the discount to its cash fare. She added that MTC's objective in limiting the discount to the Clipper fare was to keep the program consistent, and she didn't know the program's technology limitations but said she believed that several of the participating operators would be allowed to apply the discount to their cash fares. Chair Wunderman suggested a letter be sent to MTC detailing WETA's desire to apply the discount to its cash fare and to participate at the higher 50 percent discount. Ms. Rannells said she will put in that request to MTC with WETA Board support.

Chair Wunderman thanked staff for being fiscally conservative in its efforts to participate in the discount program and said that given the current circumstances of the public transit landscape, it made sense to offer the higher discount. Ms. Rannells concurred with the Chair and thanked the Board for their support on the item.

Director DelBono made a motion to approve the item with the discount at 50 percent rather than the initially recommended 20 percent and that the discount be applied to WETA's cash fare if that is possible, or to WETA's Clipper fare if the cash fare application is not possible.

Chair Wunderman called for public comments and there were none.

Director Intintoli seconded the motion and the item passed unanimously.

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

10. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

Jerry Bellows suggested that WETA may improve ridership by offering passengers free N95 face masks.

Ms. Rannells said WETA does have face masks that they can provide to riders who want to board the ferry who do not have their own masks and that numerous agencies including the Federal Transit Administration, Cal OES, and MARAD had offered and sent free masks to WETA. Chair Wunderman said that since WETA had masks to offer to passengers at no cost to them that this information should be publicized to current and potential riders.

In response to a question from Chair Wunderman, Mr. Stahnke said WETA's next new vessel, the 325-passenger MV *Dorado*, was expected to begin sea trials before the end of the year.

With all business concluded, Chair Wunderman adjourned the meeting at 1:40 p.m.

- Board Secretary

END

MEMORANDUM

TO: Board Members

FROM: Executive Director Search Advisory Committee

SUBJECT: Approve Contract Award to KL2 Connects LLC for Executive Search Services to Assist with Recruitment of Executive Director

Recommendation

Approve the following actions related to award of a contract for executive search services to assist with the recruitment of a new Executive Director for the San Francisco Bay Area Emergency Water Emergency Transportation Authority (WETA):

1. Award a contract to KL2 Connects LLC (KL2) for a fixed fee of \$59,500 plus consultant travel, if any; and
2. Authorize the Executive Director to negotiate and enter into an agreement with KL2 and take any other actions necessary to support this work.

Background

At the June 18, 2020 Board meeting, Nina Rannells announced her intention to retire from her position as WETA's Executive Director at the end of her current term of employment — the end of January 2021. At the direction of the Board, WETA released a Request for Proposals (RFP) for executive search services to assist with recruitment of a new Executive Director. Such services include: working with the Board to develop recruitment materials for the new Executive Director, including refinement of the candidate profile for the position; conducting outreach on a nationwide basis for qualified candidates; participating in periodic meetings and providing progress reports to the Board of Directors; and assisting WETA as required during the interview, evaluation, and job offer processes. Proposals were due on July 3.

Discussion

In response to the RFP, WETA received seven proposals from the following highly qualified firms: BHI, KL2 Connects LLC, Koff & Associates, Krauthamer & Associates, Management Partners, Odgers Berndtson, and William Avery & Associates. The Executive Director Search Advisory Committee of the Board of Directors, consisting of Chair Wunderman and Director DelBono, (Advisory Committee) reviewed the proposals and selected the following three firms for interviews: KL2 Connects LLC, Koff & Associates, and Krauthamer & Associates.

Based on the proposals submitted and the interviews conducted, the Advisory Committee recommends the Board of Directors award a contract to KL2. KL2 impressed the Advisory Committee with its qualifications, experience with recruiting in the public transportation sector, and its proposed work plan. KL2's team members named in its proposal demonstrated a deep understanding of the public transit industry and had a clear sense of the issues before WETA at this important time of transition. KL2's experience working with public Boards will add value in facilitating the important discussions the Board will have as it considers a new Executive Director. They are committed to diversity, inclusion, and equal opportunity and are well

positioned to identify and present a diverse slate of qualified and experienced Executive Director candidates to the Board for consideration.

KL2's proposal is for a fixed price of \$59,500 plus consultant travel, if any. This price is fair and reasonable based not only on the range of fee proposals submitted by other proposers but also on an industry benchmark of basing recruitment costs on one-third of the hired individual's first-year compensation.

If the Board approves this contract award, KL2 is prepared to begin work promptly and anticipates completing the recruitment within 120 days.

Fiscal Impact

Sufficient funds are included in the FY 2020/21 Operating Budget to support this consulting contract.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-34

APPROVE CONTRACT AWARD TO KL2 CONNECTS LLC FOR EXECUTIVE SEARCH SERVICES TO ASSIST WITH RECRUITMENT OF EXECUTIVE DIRECTOR

WHEREAS, Section 103.1 (G) of the Administrative Code authorizes the Board of Directors to employ an Executive Director responsible for administering the day-to-day affairs of WETA; and

WHEREAS, on June 18, Nina Rannells announced her intention to retire from her position as WETA's Executive Director at the end of her current term of employment – the end of January 2021; and

WHEREAS, at the direction of the Board, WETA released a Request for Proposals (RFP) for executive search services to assist with the recruitment of a new Executive Director; and

WHEREAS, services were to include working with the Board to develop recruitment materials for the new Executive Director, conducting outreach on a nationwide basis for qualified candidates, participating in periodic meetings and providing progress reports, and assisting as required during the interview, evaluation, and job offer processes; and

WHEREAS, on July 3, WETA received a total of seven proposals; and

WHEREAS, the Executive Director Search Advisory Committee (Advisory Committee) of the Board of Directors consisting of Chair Wunderman and Director DelBono reviewed the proposals and selected three firms to interview; and

WHEREAS, the Advisory Committee was impressed with the qualifications, experience with recruiting in the public transportation sector, and the proposed work plan of KL2 Connects LLC (KL2); and

WHEREAS, the Advisory Committee recommends the award of executive search services to KL2; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves entering into an agreement with KL2 Connects LLC for Executive Search Services for a fixed fee of \$59,500, plus consultant travel, if any; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute the agreement and take any other related actions to support this work.

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 August 6, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-34

END