

Members of the Board

James Wunderman, Chair
Jeffrey DelBono
Anthony J. Intintoli, Jr.

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

Thursday, May 21, 2020 at 1:30 p.m.

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AGENDA

1. CALL TO ORDER/ROLL CALL
2. OVERVIEW OF AGENCY FUNDING **Information**
3. APPROVE BASELINE FISCAL YEAR 2020/21 OPERATING AND CAPITAL BUDGET **Action**
4. AUTHORIZE FILING APPLICATIONS WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR FISCAL YEAR 2020/21 REGIONAL MEASURE 1 AND REGIONAL MEASURE 2 FUNDS **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 As this is a special meeting of the Board, public comments are limited to the listed agenda items.

If you know in advance that you would like to make a public comment during the video conference, 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

Water Emergency Transportation Authority
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the order of sign-up. Said time frames may be extended only upon approval of the Board of Directors.

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 4 hours prior to the meeting and we will work to accommodate access to the meeting.

AGENDA ITEM 1
CALL TO ORDER/ROLL CALL

NO MATERIALS

MEMORANDUM

TO: Board Members

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

SUBJECT: Overview of Agency Funding

Recommendation

There is no recommendation associated with this informational item.

Background/Discussion

The primary grant funding sources utilized to support the annual operating budget and capital program of projects and generally available to support WETA's projects through both formula allocation and competitive applications are described in this memorandum and provided in summary matrix form in **Attachment A**.

OPERATING FUNDS

Regional Measure 1 – 5% Program

These funds are derived from an increase in tolls on the Bay Area's state-owned bridges that was approved by the voters in November 1988. Approximately \$3 million in Regional Measure 1 (RM1) operating funds are available annually for programming to WETA by the Metropolitan Transportation Commission (MTC) to support transbay transit operations and capital projects that relieve traffic congestion in Bay Area bridge corridors. MTC policy requires that ferry services utilizing RM1 funds meet a minimum farebox recovery of 40% for peak-period only service and 30% for all-day service. Funds not utilized in a given year are held by MTC and can be carried over for allocation to WETA in a future year.

Regional Measure 2 Program

Regional Measure 2 (RM2) funds are the primary source of operating subsidy for WETA's regional ferry services. These funds are derived from an increase in tolls on the Bay Area's state-owned bridges that was approved by voters in 2004. Up to \$19.5 million in RM2 funds are available for annual allocation to WETA through MTC to support WETA's ferry operations that relieve traffic congestion in Bay Area bridge corridors. Of this amount, \$3 million is specifically available to support WETA planning and administration and \$16.5 million is available to support service operation which includes \$1.2 million from the Bay Bridge Forward program. MTC policy requires that ferry services utilizing RM2 funds meet a minimum farebox recovery of 40% for peak-period only service and 30% for all-day service. Additionally, MTC administers these are "use it or lose it" funds, and as a result, any unused balances at year end are returned to MTC and unavailable for WETA to use in future years.

Regional Measure 3 Program

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. RM3 will provide WETA with an annual operating subsidy to support enhanced and expanded ferry services that starts at \$10 million in the first year and grows to \$35 million annually by the fifth year. Operating funds not utilized in a given year will be set aside in a reserve by MTC for use by WETA in future years.

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. Both cases have been appealed and have now been consolidated by the court. A hearing has been set to begin on May 26, 2020 and a decision could be made on the matter by September 2020.

On January 1, 2019 BATA began collecting the first dollar of the approved toll increase. Toll revenues collected will be placed into an escrow account and will not be allocated to project sponsors until the lawsuits are settled.

Contra Costa Measure J

In November 1988, Contra Costa voters approved Measure C, a half-cent local transportation sales tax that would be in place for 20 years. In November 2004, Contra Costa voters approved Measure J. This measure provided for the continuation of the county's half-cent transportation sales tax for 25 more years beyond the original expiration date of 2009 to support a voter-approved Expenditure Plan of transportation programs and projects including ferry service in West County. On February 4, 2015, the Contra Costa Transportation Authority authorized the execution of Cooperative Agreement 22W.01 with WETA establishing approximately \$38 million in Measure J funds as the source of operating subsidy for the new Richmond service. The term of the Agreement extends through the first ten years of the Richmond service operation.

FLEXIBLE FUNDS

Other funds generally available to support WETA's ferry services include State Transit Assistance (STA) funds, Alameda County Transportation Sales Tax Measure B/BB funds, Alameda Transportation Improvement Funds (TIF), Alameda Lighting and Landscape Assessment District (LLAD) funds, and Alameda Harbor Bay Business Park Association (HBBPA) funds. These funds, which are described in more detail under the capital program, have historically been accumulated for use in support of capital projects but are flexible and can be used to support operating or capital needs (with the use of Alameda funds limited to support Alameda projects) and can be carried over from year to year.

CAPITAL FUNDS

Funds to support WETA's capital program of projects come from a wide variety of sources and granting agencies. Each project is funded with its own unique mix of grant funds depending upon the project type (revenue vessel, major facility rehabilitation/replacement, service expansion, maintenance/operation facility, miscellaneous equipment), cost, timing, and capital match requirements. Staff generally works to identify project needs years in advance of project implementation in order to have sufficient time to identify and secure grant funds to support project development and delivery.

Federal

Federal Formula Funds

The majority of federal funds received and utilized by WETA to support its annual capital program are Federal Section 5307 Urbanized Area Formula Grants and Section 5337 State of Good Repairs Grants programmed annually by MTC and secured through direct grant application and contract with the Federal Transit Administration (FTA). These funds are currently available to support high priority capital rehabilitation and replacement projects in the MTC region and are generally programmed by MTC two to three years in advance and allocated annually to projects based upon funds available through the federal transportation budget and MTC's Transit Capital Priorities program. For WETA, this program provides up to 80% funding

to support critical vessel replacement, rehabilitation and refurbishment work, float and gangway rehabilitation and replacement work, and periodic dredging.

Federal Highway Administration Ferry Boat Program

Fixing America's Surface Transportation Act (FAST Act) authorizes funds for the formula-based Ferry Boat Program (FBP) for the construction of ferry boat and ferry terminal facilities. The FHWA Administrator currently distributes the Ferry Boat Program (FBP) funds, approximately \$60 million annually nationwide, to ferry boat operators based on the biennial National Census of Ferry Operators. Approximately \$900,000 is appropriated annually to WETA to secure through an FTA grant process for projects that support the agency's capital program needs.

Federal Transit Administration Discretionary Passenger Ferry Grant Program

The FAST Act authorizes the FTA to award up to \$30 million annually nationwide through a competitive process for capital projects to improve the condition and quality of existing passenger ferry services, support the establishment of new passenger ferry services, and to repair and modernize ferry boats, terminals and related facilities, and equipment. Projects are reviewed and evaluated by FTA staff under the project evaluation criteria. The FTA Administrator determines the final selection and amount of funding for each project. This program requires a 20% non-federal match. WETA has received awards totaling \$12 million in recent years to support the Central Bay Operations and Maintenance Facility, Downtown San Francisco Ferry Terminal Expansion, and the MV *Solano* Rebuild/Replacement projects.

State

State Proposition 1B – CTSGP/RPWT

In November 2006, California voters approved Proposition 1B (Prop 1B), the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Prop 1B provided almost \$20 billion in State general obligation bond proceeds for specified purposes, including grants for transit system safety, security, and disaster response capital projects. Over a ten year period, the California Transit Security Grant Program/Regional Public Waterborne Transit (CTSGP/RPWT) has provided WETA with \$245 million in Prop 1B funds to support WETA's efforts to develop and expand regional ferry emergency response capacity in the San Francisco Bay Area. Funds from this program have been used to support preliminary studies for Antioch, Berkeley, Hercules, Martinez, Redwood City, and Richmond terminals and services, vessel design and construction, and construction of various terminals and facilities such as the South San Francisco and Richmond ferry terminals, Pier 9 floats and gangways, an emergency spare float, Central Bay and North Bay maintenance and operations facilities, and the downtown San Francisco Ferry Terminal Expansion Project.

Senate Bill 1 – Road Repair and Accountability Act of 2017

Senate Bill 1 (SB 1) increased the fuel tax on gasoline by 12 cents per gallon and the diesel excise tax by 20 cents per gallon effective November 1, 2017. In addition, Section 31 of the bill created a new annual Transportation Improvement Fee (TIF) based on value of the vehicle which went into effect in January 2018. SB 1 is expected to raise \$52.4 billion for transportation investments statewide over the next decade. MTC estimates SB 1 will generate more than \$365 million per year for transportation in the nine-county Bay Area. Most of that funding will be directed to tackling the backlog of maintenance and repairs for local streets, roads, and public transit systems. SB 1 provides funding infusions for the State Transit Assistance (STA) program and the Transit and Intercity Rail Capital Program (TIRCP) that was created by California's Cap-and-Trade program. SB 1 also provides funding for the new State of Good Repair (SGR) Program.

State Transit Assistance

The State Transit Assistance (STA) funds are derived from the statewide sales tax on gasoline and diesel fuel and are for transportation planning and mass transportation purposes. STA funds are appropriated by the State Controller's Office (SCO) and allocated to WETA through a grant agreement with MTC. The formula used by the SCO allocates 50% of the funds according to population and the remaining 50% is allocated according to operator revenues from the prior fiscal year. With the additional revenues generated by SB 1, WETA receives about \$2 million revenue-based funds annually. These funds may be used to support transit operations or capital projects. WETA has accrued carryover balances from prior years to create WETA's targeted \$10 million capital reserve for future capital projects.

State of Good Repair

The State of Good Repair (SGR) Program provides funds to transit operators in California for eligible transit maintenance, rehabilitation and capital projects. The SGR Program is funded from a portion of a new Transportation Improvement Fee (TIF) on vehicle registrations due on or after January 1, 2018. A portion of this fee is transferred to the SCO for the SGR Program. These funds are allocated under the STA Program formula to eligible agencies. Half of the funds are allocated according to population and half according to transit operator revenues. WETA is apportioned a small share of the statewide revenue-based funds of approximately \$350,000 per year, which to date has been used as the local match to capital projects including the MV *Vallejo* and MV *Solano* vessel replacement projects.

California Air Resource Board's Cap and Trade Program

California's new Cap-and-Trade program for greenhouse gas emissions is an important source of transportation funding in the Bay Area and around the state. The Cap-and-Trade program reduces pollution by imposing limits on emissions. Major emitters must buy an allowance for every ton of carbon dioxide they release into the air. Sixty percent of the Cap-and-Trade program's ongoing revenues go to investment in sustainable communities and clean transportation programs including the Transit and Intercity Rail Capital Program (TIRCP) and the Low-Carbon Transit Operations Program (LCTOP).

Transit and Intercity Rail Capital Program

Auction proceeds from the Cap-and-Trade program are deposited in the Greenhouse Gas Reduction Fund. The Transit and Intercity Rail and Capital Program (TIRCP) received \$200 million in 2015/16 and will receive 10% of annual state Cap-and-Trade auction proceeds as a continuous appropriation. Additional funding from SB 1 is estimated to generate about \$3 billion in the next ten years for TIRCP. Goals of the TIRCP include the reduction of greenhouse gas emissions, expanded and improved rail and transit service to increase ridership, the integration of different rail and transit systems, and improved transit safety. The California State Transportation Agency (CalSTA) works with the Department of Transportation (Caltrans), and the California Transportation Commission (CTC) to implement this program. From the 2018 TIRCP solicitation, the CTC approved a five-year program of projects starting with FY 2018/19 and ending with FY 2022/23 as required by Senate Bill 9 (SB 9). SB 9 also requires subsequent programs of projects to be approved no later than April 1 of each even-numbered year thereafter. WETA recently received an award of \$9 million from this program to support the development and construction of a small all-electric battery vessel and associated landside charging equipment.

Low Carbon Transit Operations Program

The Low Carbon Transit Operations Program (LCTOP) is one of several programs funded by auction proceeds from the California Air Resource Board's Cap-and-Trade Program. LCTOP receives a 5% continuous appropriation of the annual auction proceeds beginning in FY 2015/16. Funding is allocated annually to public transit operators in the State based on the existing STA revenue-based formulas. The LCTOP provides operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility with a priority on serving disadvantaged communities. WETA is appropriated approximately \$450,000 per year from this program and has used the funds to support new and replacement vessel construction.

Carl Moyer Memorial Air Quality Standards Attainment Program

Administered by the Bay Area Air Quality Management District (Air District), the Carl Moyer Program is a state-funded program providing funding for projects to upgrade or replace on-road vehicles, school buses, off-road and agricultural equipment, marine equipment, and locomotives to reduce air pollution (emissions). Eligible projects include marine engine replacement (repower) and installation of a California Air Resources Board (CARB)-verified diesel emission control strategy device or an Environmental Protection Agency (EPA)-verified hybrid system. Engine repower projects are required to have the new engines installed and operational at least three years prior to the compliance deadline specified by the CARB Commercial Harbor Craft Regulation.

Regional Bridge Tolls

Regional Measure 1 – 2% Reserve Funds

In November 1988, Bay Area voters approved Regional Measure 1 (RM1), authorizing a standardized \$1.00 toll for all seven state-owned Bay Area toll bridges. Pursuant to Streets and Highways Code §§ 30913 and 30914, 3% of the revenue from the toll increase collected may be allocated by MTC for certain projects which are designed to reduce vehicular traffic congestion on the state-owned bridges. Streets and Highways Code §§ 30913 and 30914 require that an additional 2% of those toll revenues be allocated by MTC for the planning, construction, and acquisition of rapid water transit systems. Approximately \$1 million RM1 – 2% funds are available to WETA annually from this program through MTC to support capital expenses associated with transbay ferry services in the Carquinez and Bay Bridge corridors.

Regional Measure 3 Funds

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. RM3 will provide WETA with \$300 million in capital funds to support construction of WETA vessels, terminals, and facilities.

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. Both cases have been appealed and have now been consolidated by the court. A hearing has been set to begin on May 26, 2020 and a decision could be made on the matter by September 2020.

On January 1, 2019 BATA began collecting the first dollar of the approved toll increase. Toll revenues collected will be placed into an escrow account and will not be allocated to project sponsors until the lawsuits are settled.

Assembly Bill 664 Funds

Assembly Bill 664 (AB664) toll bridge funds are programmed by MTC annually to provide partial local match to Federal Section 5307 and 5337 grant funds allocated for projects serving the Bay Bridge transbay corridor. WETA receives a portion of these funds to provide a partial match to federal grants administered by MTC for capital rehabilitation and replacement projects.

Local

Alameda County Transportation Sales Tax Measure B/BB

In 2000, Alameda County voters approved Measure B, the half-cent transportation sales tax. The Alameda County Transportation Commission administers Measure B funds to deliver transportation improvements and services in Alameda County, and to address congestion in every major commute corridor in the county. Measure B funds are allocated annually to support the Alameda ferry services (can be used for operating or capital) based upon a percentage share of tax revenues collected. The extension and expansion of Alameda Measure B approved by voters in November 2014 (Measure BB) increased the amount of funds available to WETA from this program from approximately \$900,000 to \$1.8 million annually. WETA has historically preserved these funds to support capital projects in Alameda, but these funds can be flexed to support system operation and have been identified for use to help support the launch of new Seaplane Lagoon service prior to availability of new RM3 funds.

Miscellaneous Local Funds

The City of Alameda has historically utilized Transportation Improvement Funds (TIF) and Lighting and Landscape Assessment District (LLAD) funds to support the annual expenses associated with the Alameda ferry services. As part of the Alameda Ferry Service Operations Transfer Agreement, the City of Alameda has agreed to pay WETA approximately \$500,000 in TIF and \$78,000 in LLAD funds annually to provide continued support for these ferry services. Harbor Bay Business Park Association (HBBPA) provides a private subsidy of approximately \$150,000 annually to support the Harbor Bay ferry services. WETA has historically preserved these funds to support Harbor Bay capital projects, but a portion of these funds can be flexed to support system operation.

San Francisco Proposition K

San Francisco Proposition K (Prop K) is a half-cent local sales tax for transportation that was approved by San Francisco voters in November 2003. Eligible projects are identified in the Prop K Strategic Plan's associated 5-Year Prioritization Programs (5YPPs) and updated every four years. The Downtown San Francisco Ferry Terminal Expansion project received \$1.4 million in Prop K funds apportioned to WETA through a grant agreement with the San Francisco County Transportation Authority.

RESERVES

Carryover Fund Balance Reserve

This includes funds available to WETA on an annual basis that can be carried over if not spent, such as RM1 and STA funds which are flexible for both capital and operating purposes, and Alameda Measure B/BB and miscellaneous local Alameda funds that are available to support Alameda services and projects. WETA anticipates having an accumulated carryover reserve balance of these funds of approximately \$30 million at the end of FY 2019/20 which can serve as a safety net for WETA's services and projects in future years. WETA was able to accumulate this carryover reserve by maximizing its use of RM2 use-it-or-lose-it operating funds to cover system operating costs in recent years and through the generous state allocation of Prop 1B capital funds which have been used to advance system construction and development.

In November 2019, as a part of a comprehensive review of WETA projects and anticipated funding over a three-year period from FY 2020/21 through FY 2022/23, the WETA Board supported moving forward with a plan for utilizing these carryover balances that supported both preserving some funds to ensure agency financial sustainability and leaning forward to advance future projects in advance of the availability of RM3 funds. This program included establishing a \$10 million Capital Project reserve and a \$9+ million Operating Reserve (equal to two months of the annual operating expense). In addition, the Board identified the use of carryover funds to advance plans to open the new Alameda Seaplane Lagoon ferry service in FY 2020/21, requiring an estimated cumulative new operating subsidy of \$7.25 million over the three-year period and opening new Mission Bay ferry services in FY 2022/23, requiring an estimated cumulative new operating subsidy of \$2.6 million over the three-year period.

Cashflow Reserve

In 2010, WETA worked closely with MTC to create a cash reserve for use by WETA to meet its annual cashflow needs. To create this reserve, WETA issued and sold Revenue Allocation Bonds to MTC in August 2010. By utilizing the annual allocation of RM2 operating funds over a three-year period to pay the debt service, WETA was able to establish a \$10.1 million operating reserve in June 2013 when the final payment of the debt service was made. This reserve is used as a bank of funds that supports WETA's ongoing cash needs to pay operating and capital commitments that are due up-front prior to reimbursement by WETA's grantors. These funds are an essential part of doing business.

END

Attachment A

Summary of Grant Sources

SOURCE	ADMINISTRATOR	CYCLE	AVAILABLE / ANNUAL \$	NOTES
Operating Funds:				
Local: Regional Measure 2 (RM2) - Ferry Operations - Bay Bridge Forward - Operations - Planning & Administration	Metropolitan Transportation Commission (MTC)	Annual	\$15.3 million \$1.2 million \$3 million	Use it or lose it Use it or lose it Use it or lose it
Regional Measure 3 (RM3) * - Ferry Operations <i>(Not yet available - pending lawsuits)</i>	MTC	Annual	\$10 million	\$10 million in first year, increasing to \$35 million over five years. Funds not used annually are carried over for future use
Flexible Funds (Operating or Capital):				
State: State Transit Assistance (STA)	State Controller's Office / MTC	Annual	\$2 million	Unused funds can be carried over for future needs, held by MTC
Local: Regional Measure 1 - 5% Unrestricted Funds (RM1 - 5%)	MTC	Annual	\$3 million	Unused funds can be carried over for future needs, held by MTC
Contra Costa Transportation Sales Tax Measure J	Contra Costa Transportation Authority	Annual	\$4 million <i>(varies by annual budget)</i>	Subsidy for the Richmond Ferry Service, annual request based on approved budget, held by CCTA
Alameda Transportation Sales Tax Measure B/BB	Alameda County Transportation Commission	Annual	\$1.8 million	Unused funds can be carried over for future needs, held by WETA
Alameda Transportation Improvement Funds (TIF)	City of Alameda	Annual	\$500,000	Unused funds can be carried over for future needs, held by WETA
Alameda Lighting and Landscape Assessment District (LLAD)	City of Alameda	Annual	\$78,000	Unused funds can be carried over for future needs, held by WETA
Alameda Harbor Bay Business Park Assn (HBBPA) Subsidy	Harbor Bay Business Park Association	Annual	\$150,000	Unused funds can be carried over for future needs, held by WETA
Capital Funds:				
Federal: Federal Formula Funds	Program: MTC Administrator: FTA	Annual	\$7 million plus	Up to 80% of rehabilitation and replacement cost of high priority capital assets as determined by MTC's Capital Priorities Program
Federal Highway Administration Ferry Boat Program (FBP)	Allocation: FHWA Administrator: FTA	Annual	\$950,000	Formula-based distribution, WETA share
FTA Discretionary Passenger Ferry Grant Program	FTA	Annual Discretionary	\$30 million <i>(nationwide)</i>	Competitive grant program
State: Proposition 1B (Prop 1B)	California Office of Emergency Services (Cal OES)	10 - Years <i>(FY08 to FY17)</i>	\$245 million	California Transit Security Grant Program-Regional Public Waterborne Transit (CTSGP-RPWT), WETA share
State of Good Repair Program (SGR)	State Controller's Office / MTC	Annual <i>(first year = FY18)</i>	\$350,000	Formula-based distribution, WETA share
Transit and Intercity Rail Capital Program (TIRCP)	Caltrans and CalSTA	Bi-Annual Discretionary	\$2.4 billion <i>(multi-year funding agreement)</i>	Competitive grant program - award by April 1 of each even-numbered year
Low Carbon Transit Operations Program (LCTOP)	Caltrans	Annual	\$450,000	Formula-based distribution, WETA share

Attachment A

Summary of Grant Sources

SOURCE	ADMINISTRATOR	CYCLE	AVAILABLE / ANNUAL \$	NOTES

Attachment A

Summary of Grant Sources

SOURCE	ADMINISTRATOR	CYCLE	AVAILABLE / ANNUAL \$	NOTES
Capital Funds (continue):				
State				
Carl Moyer Memorial Air Quality Standards Attainment Program	Bay Area Air Quality Management District	Annual Discretionary	\$60 million <i>(statewide)</i>	Competitive grant program
Local:				
Regional Measure 1 - 2% Reserve Funds (RM1 - 2%)	MTC	Annual	\$1 million	WETA share - unused funds can be carried over for future needs, held by MTC - used as local match to federal \$ and small capital projects
Regional Measure 3 *	MTC	One-Time	\$300 million	For ferries, terminals, and other ferry system capital projects
Assembly Bill 664 Funds (AB664)	MTC	Annual	\$500,000 <i>(varies by annual TCP program)</i>	Programmed annually to provide partial local match to federal \$
San Francisco Proposition K	San Francisco County Transportation Commission	One-Time	\$1.4 million	Used to support the Downtown Ferry Terminal Expansion project

* RM3 funds are anticipated but not yet available due to ongoing legal proceedings.

MEMORANDUM

TO: Board Members

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

SUBJECT: Approve Baseline Fiscal Year 2020/21 Operating and Capital Budget

Recommendation

Approve the following associated with the Fiscal Year (FY) 2020/21 Operating and Capital Budget:

1. Adopt the proposed Baseline FY 2020/21 Operating and Capital Budget, including the annual staff pay schedule; and
2. Authorize the Executive Director to amend Contract #11-011 with Blue & Gold Fleet, Inc. to support the FY 2020/21 work program, add the operation of Seaplane Lagoon Service and incorporate the use of federal Coronavirus Aid, Relief, and Economic security (CARES) Act funds to support contract costs.

Background

Chapter 5, Article 4, Section 66540.41 of the San Francisco Bay Area Water Emergency Transportation Authority's (WETA) administrative code requires preparation and implementation of an annual budget to support the agency's operation. This item contains the proposed FY 2020/21 Operating and Capital Budget.

Summary

The proposed baseline FY 2020/21 Operating and Capital Budget contains \$86.7 million in spending proposals funded with a variety of revenue sources as summarized below.

FY 2020/21 Proposed Budget			
Expense		Revenue	
Operating Budget Expenditures	\$54,732,700	Bridge Tolls	\$27,551,100
- Ferry Service	\$51,450,000	Federal Funds	\$26,082,400
- Planning and Administration	\$3,000,000	State Funds	\$16,470,900
		Local Funds	\$11,303,400
		Vessel Sales Proceeds	\$3,229,100
Capital Budget Expenditures	\$31,993,600	Passenger Fares	\$2,089,400
Total Budget Expense	\$86,726,300	Total Budget Revenue	\$86,726,300

The proposed FY 2020/21 Operating Budget, totaling \$54,732,700, supports operation of WETA's five San Francisco Bay Ferry (SFBF) routes - Alameda/Oakland to San Francisco, Alameda/Oakland to South San Francisco, Harbor Bay to San Francisco, Vallejo to San Francisco and Richmond to San Francisco - at the originally anticipated, pre-COVID-19 service levels and

supports opening of the planned new Alameda Seaplane Lagoon service to San Francisco in August 2020.

The proposed FY 2020/21 Capital Budget, totaling \$31,993,600, includes 13 projects for the construction and refurbishment of ferry vessels and core facilities needed to support regular and emergency response ferry service operations.

As discussed with the Board of Directors at the May 7, 2020 meeting, staff recommends that the Board adopt the proposed Baseline FY 2020/21 Operating and Capital Budget as a starting point for the new budget year, beginning July 1, 2020, with the understanding that staff will bring back a revised, refined budget in the coming months that better reflects WETA's final service recovery strategy once more is known about how and when the Bay Area will begin to reopen and a COVID-19 service recovery plan is finalized. Adopting a baseline budget now will allow staff to work to secure Regional Measure 2 (RM2) and Regional Measure 1 (RM1) grant funds to support system operation in the new year, beginning July 1, and will support staff's efforts to secure additional federal Coronavirus, Relief, and Economic Security (CARES) Act funds from the Metropolitan Transportation Commission's (MTC) second distribution or other new revenues that may become available.

Discussion

The operating and capital components of the proposed baseline budget are discussed in further detail below.

FY 2020/21 OPERATING BUDGET

The proposed FY 2020/21 Operating Budget, as provided in **Attachment A**, totals \$54.7 million and is funded with RM1 and RM2 bridge tolls, federal CARES Act funds, Alameda local and sales tax funds, Contra Costa sales tax funds, and fare revenues. It is made up of two primary components including a \$51.7 million Ferry Service Operating budget and a \$3.0 million Planning and Administration budget, consistent with MTC's funding of WETA's separate operational and planning/administrative functions. A detailed budget for Ferry Service operation - by route - and for WETA's Planning and Administration unit is included in **Appendix 1** to this report.

Ferry Service Operating Budget - \$51.7 million

Operating Expense

The proposed budget includes \$51.7 million to support operation of WETA's San Francisco Bay Ferry (SFBF) services in FY 2020/21. SFBF services are operated on WETA's behalf by Blue & Gold Fleet, our contract operator. In FY 2020/21, SFBF will have a fleet of 16 vessels available for passenger service.

Purchased Transportation (contract operations) and Fuel have historically accounted for between 80% and 85% of WETA's annual ferry service operating expense. The proposed FY 2020/21 Operating Budget includes \$32.7 million (63.2%) to support Purchased Transportation expenses and \$9.2 million (17.8%) for Fuel, representing a combined 81.0% of the proposed ferry service budget.

	FY 2019/20 - Adopted		FY 2020/21 - Proposed		Change
	Budget	% of Ttl	Budget	% of Ttl	
Salaries & Benefits	\$1,307,200	2.7%	\$2,099,800	4.1%	\$792,600
Professional Services	\$2,736,800	5.7%	\$2,969,200	5.7%	\$232,400
Purchased Transportation	\$29,800,900	62.5%	\$32,681,200	63.2%	\$2,880,300
Fuel - Diesel	\$10,047,000	21.1%	\$9,220,500	17.8%	(\$826,500)
Repair & Operating Supplies	\$233,800	0.5%	\$271,900	0.5%	\$38,100
Utilities	\$360,100	0.8%	\$456,400	0.9%	\$96,300
Insurance	\$1,795,700	3.8%	\$2,124,700	4.1%	\$329,000
Other Expenses	\$320,900	0.7%	\$300,800	0.6%	(\$20,100)
Lease, Rental & Docking Fees	\$184,400	0.4%	\$285,300	0.6%	\$100,900
Admin Overhead Expense	\$915,100	1.9%	\$1,322,900	2.6%	\$407,800
Total Budget Expense	\$47,701,900	100.0%	51,732,700	100.0%	\$3,623,000

Purchased Transportation - Purchased Transportation provided by Blue & Gold Fleet includes such items as vessel crews, maintenance staff and supplies, ticket office operations, dispatch, operations management and support services, and contractor profit.

Purchased Transportation expense is budgeted to increase \$2.9 million (9.7%), from \$29.8 million to \$32.7 million in FY 2020/21. The increase to this budget is largely the result of increased operating hours associated with the new Alameda Seaplane Lagoon Ferry Service, expanded Richmond summer weekend service, new costs associated with the maintenance of the new and refurbished Gates E, F, and G at the San Francisco Ferry Building and general wage and cost inflation.

Fuel – Fuel expense is budgeted at \$2.50 per gallon for FY 2020/21, a decrease of \$0.50 per gallon from the price used in the FY 2019/20 budget. Per gallon fuel prices have fluctuated over the past several years, ranging from as low as \$1.99 to \$2.60. The average price per gallon for fuel in FY 2018/19 was \$2.59 and the average price for the first ten months of the current fiscal year through April 2020 was \$2.44. While current fuel prices are significantly lower than this price per gallon, the budgeted rate reflects the trends from the last three years to account for the general volatility of fuel prices over time. Total fuel usage in FY 2020/21 for the six routes is expected to be approximately 3.7 million gallons, an increase of 339,000 gallons or a 10.1% increase, at a total cost of \$9.2 million. The projected increase in the total gallons used is due to the launch of the new Alameda Seaplane Lagoon Ferry Service and the additional three months of Richmond summer weekend service beginning in May 2021. Even with the consumption increase, the total fuel cost in this baseline budget is expected to decrease by \$827,000, or 8.2%, from FY 2019/20 as a result of the lower per gallon fuel prices anticipated and included in the baseline budget.

Operating Revenue

With the service changes and loss in ridership resulting from the COVID-19 pandemic, the related loss in fare revenues and potential reductions to system operating subsidies has had a significant impact on WETA's ability to maintain a balanced budget and offer cost-effective services. This is not only true for WETA, but for the larger public transit community at large. The proposed Baseline FY 2020/21 Operating Budget assumes the use of a variety of WETA's normal annual operating sources, new CARES Act Funds and carryover fund reserves to make up for the anticipated losses.

The proposed baseline budget is assumed to be funded with \$7.1 million RM1 funds, \$19.5 million RM2 funds, \$17.0 million federal CARES Act funds, \$3.9 million Alameda local funds, \$3.6 million Contra Costa Measure J funds, \$1.5 million Alameda Transportation Sales Tax, and \$2.1 million from fare revenues as further identified on page 2 of **Attachment A**. Assumptions associated with Fares, Regional Measure 2, federal CARES Act and Regional Measure 1 funds – the primary sources proposed to support the FY 2020/21 operating budget - are discussed below.

Fares – Fares normally cover between 50% and 60% of WETA’s operating expense. WETA’s fare revenues are budgeted to decrease to approximately \$2.1 million in FY 2020/21, from \$24.5 million in FY 2019/20, based upon a conservative estimate of when and how people will return to work. This reflects the “Low Ridership” estimate discussed at the May 7 Board meeting, which assumes that ridership is down 95% in July 2020, gradually increasing to 25% of normal by June 2021, resulting in an estimated 294,000 passengers over the course of the year as summarized below. At this rate, fare revenues will cover just 4% of the Ferry Service operating budget.

Route	Proposed Budget		Projected Ridership	
	Expense	% of Total	Riders	% of Total
Alameda/Oakland Ferry Service	\$14,520,300	28.1%	110,586	37.6%
Alameda Harbor Bay Ferry Service	\$4,118,400	8.0%	35,011	11.9%
Alameda Seaplane Lagoon Ferry Service	\$4,268,200	8.3%	10,738	3.7%
Vallejo Ferry Service	\$20,742,300	40.1%	122,149	41.5%
South San Francisco Ferry Service	\$3,306,200	6.4%	4,849	1.6%
Richmond Ferry Service	\$4,777,300	9.2%	10,738	3.7%
Total	\$51,732,700	100.0%	294,071	100.0%

Regional Measure 2 Funds – RM2 represents the second largest revenue source available to support WETA’s ongoing ferry operation after fare revenues. In past years, \$19.5 million has been available to support WETA’s operation, including \$16.5 million for service and \$3 million for Planning & Administration, covering approximately 35% of WETA’s overall expense. MTC staff has indicated that RM2 bridge tolls could be reduced anywhere from 25% to 40%, or between \$4.9 and 7.8 million, in FY 2020/21 due to reduced bridge traffic and tolls. Staff has included full funding of RM2 bridge tolls - \$19.5 million – in the budget as a placeholder until more is known about actual reductions to this revenue source and how they will impact WETA.

Federal CARES Act Funds – WETA received \$12.5 million from MTC’s first distribution of federal CARES Act funds. Staff anticipates that \$3.5 million of this amount will be used to balance WETA’s FY 2019/20 Operating Budget and that \$9 million will be available to support WETA’s FY 2020/21 Operating Budget. The proposed baseline FY 2020/21 Operating Budget assumes that WETA will receive an additional \$8 million in federal CARES Act funds through MTC’s second distribution of funds. This reflects what WETA would receive if MTC applies the same formula used for its first distribution of funds. MTC has established a Blue Ribbon Task Force to help guide development of a regional approach to restoring transit services and to discuss distribution of the balance of CARES Act funds. Staff anticipates that more will be known about the distribution of these funds by August 2020.

Regional Measure 1 Funds – The proposed FY 2020/21 FY 2020/21 baseline budget assumes the use of a total of \$7.1 million to support system operating expense. This includes full use of

the \$3.4 million anticipated FY 2020/21 operating subsidy amount and the use of prior-year carryover reserves in the amount of \$3.7 million.

Planning and Administration Operating Budget - \$3 million

Operating Expense

The proposed budget includes \$3.0 million to support agency general planning and administrative expenses for staff wages and benefits, professional support services such as planning consultants, legal and lobbying services, and other general items associated with WETA's planning and administration activities housed at Pier 9. This budget, along with the ferry service budget, supports a WETA staffing level of 17 full-time positions as identified in the Organizational Chart provided in **Appendix 2**. This represents no change from the FY 2019/20 staffing level. The proposed budget provides for a 2.9% cost of living increase for WETA staff positions (excluding the Executive Director) based upon the most recent one-year (February 2019 to February 2020) change in the Consumer Price Index for the San Francisco Bay Area, consistent with prior year practice. This pay change, which would normally go into effect on July 1, is reflected in the WETA Pay Schedule for FY 2020/21 included in **Appendix 2**.

Agency planning, administration and development efforts in FY 2020/21 will focus on the following activities:

- **System Planning and Service Development** – Significant effort will be focused on monitoring system operation and ridership and developing and refining recovery services as the Bay Area responds and adjusts to the COVID-19 pandemic. Staff will also revisit the development of a Five-Year Fare Program, continue work on the Hovercraft Feasibility Study, continue work on the Berkeley and Redwood City service studies and work on other service development and monitoring activities as needed.
- **Facility and Terminal Development** – Staff will continue to monitor and support project development and construction activities associated with new Mission Bay and Treasure Island ferry terminals. Staff will conduct initial study and permitting work for the Vallejo Terminal dredge project scheduled to take place in FY 2021/22.
- **Fleet Development** – In addition to supporting WETA's ongoing fleet construction and rehabilitation program, including development of an all-electric ferry, staff will continue efforts to identify options and opportunities to implement new vessel emission technology for existing and future vessels.
- **Emergency Response Program/Training** – Staff will continue to participate in local, regional and state exercises, meetings and discussions. Staff will continue internal training exercises and will participate in the Bay Ferry V regional exercise with Bay Area partners.
- **Public Relations and Communications** – Staff will perform media outreach and public communications to support service resumption in the wake of the COVID-19 crisis and to support new service at Seaplane Lagoon in Alameda. Staff will also work to enhance public awareness of WETA and its role in emergency response.
- **Marketing** – Staff will market ferry services with a focus on highlighting safety and ease of use in the wake of the COVID-19 crisis and build awareness of rebranded routes and enhanced commute opportunities in the Alameda and Oakland corridors as Seaplane Lagoon service begins. Staff will also continue to enhance the marketing presence of all routes as appropriate as full service is restored in the system.
- **Organizational Review** – As appropriate, staff will work with the Board of Directors to develop plans for organizational development and growth to meet the agency's future work demands and regional responsibilities associated with RM3.

Operating Revenue

WETA's Planning and Administration budget is funded with \$3 million RM2 funds allocated annually by MTC.

FY 2020/21 CAPITAL BUDGET

The proposed FY 2020/21 Capital Budget, as provided in **Attachment B**, includes 13 new and continuing projects necessary to maintain existing services and facilities and to further develop WETA's near-term expansion services. These projects total \$240.5 million with budgeted FY 2020/21 expenditures in the amount of \$32.0 million.

Major capital project activity and expense in FY 2020/21 will include the following:

- **Downtown San Francisco Ferry Terminal Expansion** – As of April 2020, the two new Gates F and G and the refurbishment and modification of the existing Gate E are complete and in service. The new plaza that functions as a passenger waiting and queuing area located at the north side of the Agriculture Building is also complete. The primary work remaining is installation of a permanent shore power electrical connection to the project.
- **Vessel Purchase, Replacement, and Rehabilitation** – The FY 2020/21 Capital program includes a number of new and ongoing vessel rehabilitation, purchase, and replacement projects necessary to maintain WETA's fleet of existing vessels in a "state of good repair" and to support the ability to deliver uninterrupted safe, reliable, and efficient ferry transportation services. These projects include:
 - Continued construction of two new commuter-class vessels at Mavrik Marine;
 - Award a contract and begin construction of two replacement vessels for the MV *Bay Breeze* and MV *Solano* vessels;
 - Rehabilitation of major system components including engine overhaul work on the MV *Argo*, MV *Carina*, MV *Pisces*, MV *Bay Breeze*, and MV *Peralta*.
- **Design and Construct All-Electric Vessel and Charging Infrastructure** – Staff will work to develop and design this project, which will build a small 99-passenger battery-electric ferry vessel and related charging infrastructure for operation on WETA's future Mission Bay ferry route.

Capital Revenue

The proposed FY 2020/21 Capital Budget is funded with a variety of ferry transportation grant revenues made available to WETA for specific projects contained in the budget. FY 2020/21 capital expenditures will be funded with \$16.5 million from state grants, \$9.1 million from federal grants, \$3.2 million proceeds from the sale of the MV *Vallejo* and MV *Encinal*, \$2.3 million local funds, and \$0.9 million from bridge toll revenues.

BUDGET REVIEW AND REFINEMENT PROCESS

Budget Refinement Process

Staff recommends that the Board adopt the proposed Baseline FY 2020/21 Operating and Capital Budget now as a starting point for the new fiscal year beginning July 1, 2020. Staff will work to develop a refined budget for Board consideration in the coming months that adjusts the service levels and related fuel and consumables consumption down to better match the COVID-19 recovery service scenarios under development. This will provide some cost savings and minimize the draw on carryover operating reserves. Staff will continue to work closely with MTC and other Bay Area public transit staff to support development of a regional recovery strategy and will incorporate this work into WETA's recovery plan.

Adopting a baseline FY 2020/21 budget now will allow staff to work to secure RM2 and RM1 grant funds to support system operation in the new year, beginning July 1, and will support staff's efforts to secure additional federal CARES Act funds from MTC's second distribution or other new revenues that may become available. However, additional revenue adjustments may also be necessary as MTC further clarifies how the balance of federal CARES Act funds will be distributed to the region's transit operators and potential reductions to RM2 operating revenues due to reduced toll collections. As we move through the year, the magnitude of any new shortfalls created by new revenue reductions may require WETA to consider further ways to reduce service-dependent and discretionary expenses and/or to consider the use of more of its carryover reserves to balance the budget.

Given the many continued unknowns resulting from the COVID-19 pandemic with regard to how and when the Bay Area economy and jobs will begin to reopen, how and when people will begin to incorporate ferry transportation back into their daily routines and how planned operating revenues may be impacted, staff recommends a flexible approach to budgeting in FY 2020/21, including quarterly review and adjustment of the budget, as necessary. This will allow staff and the Board to ensure that the budget best reflects WETA's financial status and changed conditions as we move through the year and more comprehensive information about the impact of the COVID-19 pandemic on WETA's system and services becomes available.

Fiscal Impact

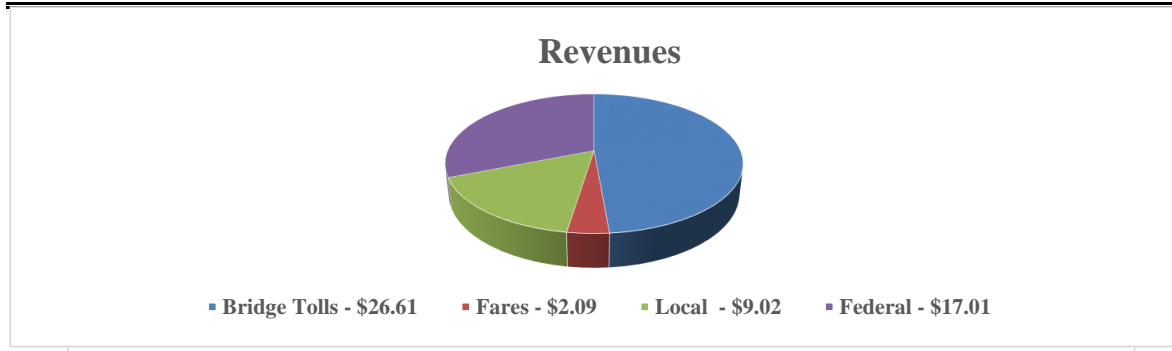
The proposed FY 2020/21 Operating and Capital Budget is \$86.7 million comprised of \$54.7 million in operating and \$32.0 million in capital. The proposed budget is fully funded with a combination of fare revenues and various federal, state, and local grant funds available to support WETA's ferry services and capital projects. As discussed in the body of the memorandum above, planned expenses and revenues will need to be adjusted as we move through the year and more information about service operations and revenue sources is made available.

END

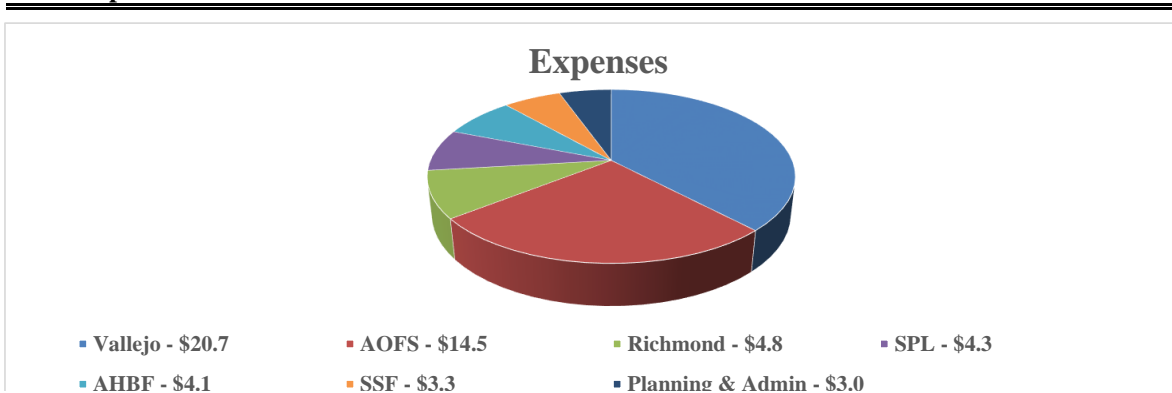
Attachment A

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

	Proposed FY 2019/20	Percentage (%) of Total
Revenues		
Fare Revenue:	\$2.09	4%
- Vallejo Ferry Service (Vallejo)	1.14	
- Alameda/Oakland Ferry Service (AOFS)	0.49	
- Alameda Seaplane Lagoon (SPL)	0.20	
- Alameda Harbor Bay Ferry Service (AHBF)	0.16	
- South San Francisco Ferry Service (SSF)	0.03	
- Richmond Ferry Service (Richmond)	0.06	
Bridge Tolls	26.61	49%
Federal CARES Act Funds	17.01	31%
Local Subsidies/Assessments and Other Revenue	9.02	16%
Total Revenues	\$54.73	100%



	Proposed FY 2019/20	Percentage (%) of Total
Expenses		
Ferry Service	\$51.73	95%
- Vallejo Ferry Service (Vallejo)	20.74	
- Alameda/Oakland Ferry Service (AOFS)	14.52	
- Richmond Ferry Service (Richmond)	4.78	
- Alameda Seaplane Lagoon (SPL)	4.27	
- Alameda Harbor Bay Ferry Service (AHBF)	4.12	
- South San Francisco Ferry Service (SSF)	3.31	
Planning and Administration	3.00	5%
Total Expenses	\$54.73	100%



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

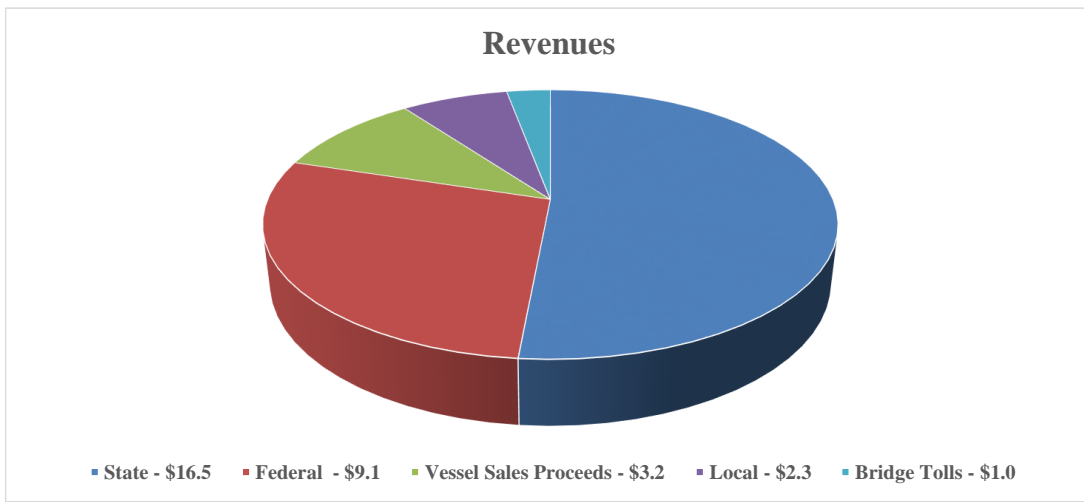
	FY 2019/20	FY 2020/21 Operating Budget - Proposed		
	Total Budget	Planning & Administration	Ferry Service	Total
Revenues				
Fare Revenue ¹	\$24,520,000	\$0	\$2,089,400	\$2,089,400
Local - Bridge Toll Revenue	22,142,300	3,000,000	23,613,600	26,613,600
- Regional Measure 1 - 5%, Annual Revenues	2,642,300	-	3,374,700	3,374,700
- Regional Measure 1 - 5%, Operating Reserve	-	-	3,738,900	3,738,900
- Regional Measure 2 ²	19,500,000	3,000,000	16,500,000	19,500,000
Local - Contra Costa Measure J	3,308,200	-	3,588,500	3,588,500
Local - Alameda Measure B/BB	-	-	1,561,300	1,561,300
Local - Alameda Property Tax and Assessments	728,000	-	3,865,700	3,865,700
Federal - CARES Act Funds, 1st distribution	-	-	9,014,200	9,014,200
Federal - CARES Act Funds, 2nd distribution ³	-	-	8,000,000	8,000,000
Other Revenue	3,400	-	-	-
Total Revenues	\$50,701,900	\$3,000,000	\$51,732,700	\$54,732,700
Expenses				
Salaries, Wages & Fringe Benefits	\$2,816,100	\$1,863,200	\$2,099,800	\$3,963,000
Professional / Contract Services	4,505,700	1,798,400	2,969,200	4,767,600
Purchased Transportation	29,800,900	-	32,681,200	32,681,200
- Vessel Expense - Crew	15,332,900	-	16,741,800	16,741,800
- Vessel Expense - Maintenance	9,010,600	-	9,600,600	9,600,600
- Non-Vessel Expense	2,879,900	-	3,533,000	3,533,000
- Fixed Fees and Profit	2,577,500	-	2,805,800	2,805,800
Fuel - Diesel	10,047,000	-	9,220,500	9,220,500
- # of gallons	3,348,960	-	3,688,190	3,688,190
- Per gallon cost	\$3.00	-	\$2.50	\$2.50
Repair, Operating & Promotional Supplies	296,200	47,400	271,900	319,300
Utilities	411,600	92,900	456,400	549,300
Insurance	1,824,300	28,000	2,124,700	2,152,700
Dues, Subscriptions, Media & Other Expenses	430,500	95,800	300,800	396,600
Leases, Rentals and Docking Fees	569,600	397,200	285,300	682,500
Admin Overhead Expense Transfer	-	(1,322,900)	1,322,900	-
Total Expenses	\$50,701,900	\$3,000,000	\$51,732,700	\$54,732,700
# of Passengers		-	329,428	
Farebox Recovery - Combined			4%	

- 1 Fare Revenues: Fare revenues are reduced significantly to \$2 million, which is 8% of the FY 2019/20 budgeted amount. This reflects the "Low" ridership scenario discussed at the May 7 Board meeting, which assumes that ridership is down 95% in July 2020, gradually increasing to 25% of normal by June 2021.
- 2 Regional Measure 2: Assume full funding at \$19.5 million consistent with historic funding from this program. MTC has indicated that these funds could be reduced by between 25% and 40%, or \$4.9 to \$7.8 million, due to reduced bridge travel and tolls. The actual amount of reduction or how MTC would approach reducing funds is unknown at this time.
- 3 Federal Cares Act Funds: 2nd distribution assumes \$8 million in additional CARES Act funds consistent with the formula MTC utilized to distribute the 1st phase of funds. This amount could vary depending upon the actual distribution formula utilized by MTC, which should be known by August 2020.

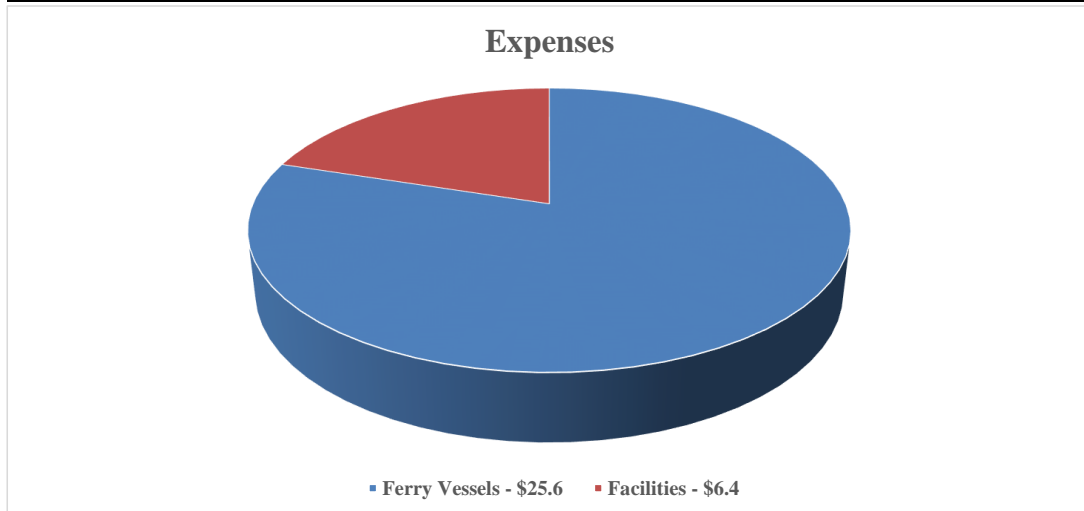
Attachment B

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

	Total FY 2020/21	Percentage (%) of Total
Revenues		
State Funds	\$16.47	51%
Federal Funds	9.07	28%
Vessel Sales Proceeds	3.23	10%
Local Dedicated Funds	2.29	7%
Bridge Toll Revenues	0.94	3%
Total Revenues	\$31.99	100.0%



	Total FY 2020/21	Percentage (%) of Total
Expenses		
Ferry Vessels	\$25.56	80%
Facilities	6.43	20%
Total Expenses	\$31.99	100.0%



**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Capital Budget - Proposed**

	Total Project	Prior Year	FY 2020/21 Budget	Future Years
CAPITAL REVENUES:				
Federal Funds	\$51,564,388	\$22,416,124	\$9,068,160	\$20,080,104
State Funds	150,516,501	121,192,566	16,470,950	12,852,985
Bridge Toll Revenues	31,022,284	26,994,210	937,490	3,090,584
Local Dedicated Funds	4,141,227	1,202,000	2,287,900	651,327
Vessel Sales Proceeds	3,229,050	-	3,229,050	-
Total Capital Revenues	\$240,473,450	\$171,804,900	\$31,993,550	\$36,675,000
CAPITAL EXPENDITURES:				
FACILITIES:	\$168,834,350	\$159,643,400	\$6,432,950	\$2,758,000
Terminal Construction				
Downtown Ferry Terminal Expansion - South Basin	97,965,000	95,416,000	2,549,000	-
Operations and Maintenance Facilities				
Ron Cowan Central Bay Operations & Maintenance Facility **	64,932,400	64,207,400	725,000	-
North Bay Facility Improvement - Fuel System *	530,450	-	530,450	-
Terminal Improvement				
Install Mooring Piles - Harbor Bay Ferry Terminal	251,500	20,000	231,500	-
Terminal Rehabilitation - Engineering & Design Main Street *	395,000	-	395,000	-
Shoreside Infrastructure for All-Electric Vessel *	4,760,000	-	2,002,000	2,758,000
FERRY VESSELS:	\$71,639,100	\$12,161,500	\$25,560,600	\$33,917,000
Vessel Construction				
New Commuter Class High-Speed Vessels - 2 each	30,082,500	11,921,500	11,900,000	6,261,000
Replacement Vessel for MV Bay Breeze and MV Solano	34,600,000	110,000	9,300,000	25,190,000
New All-Electric Vessel *	4,300,000	-	1,834,000	2,466,000
Vessel Rehabilitation and Refurbishment				
Vessel Engine Overhaul - MV Argo and MV Carina	240,000	130,000	110,000	-
Vessel Engine & Reduction Gear Overhaul - MV Pisces *	525,200	-	525,200	-
Vessel Engine & Reduction Gear Overhaul - MV Bay Breeze *	491,400	-	491,400	-
Vessel Engine & Reduction Gear Overhaul - MV Peralta *	1,400,000	-	1,400,000	-
Total Capital Expenditures	\$240,473,450	\$171,804,900	\$31,993,550	\$36,675,000

* Denotes new project

** Denotes revised project scope and budget

FY 2020/21 Capital Project Detail

FACILITIES:

Terminal Construction

Downtown Ferry Terminal Expansion – South Basin

This project expands berthing capacity at the Downtown San Francisco Ferry Terminal to ensure that adequate facilities are available in downtown San Francisco to accommodate current and future planned ferry services and support emergency response. The project includes the construction of two new ferry berths, Gates F and G, south of the Ferry Building, refurbishment and modification of the existing southern terminal Gate E, installation of amenities such as weather-protected areas for queuing, improvements to pedestrian circulation and covering of current “lagoon” area. To date, all three gates are in service and the new plaza is complete. The remaining work to be completed in FY 2020/21 is the installation of a permanent shore power electrical connection to the project.

Operations and Maintenance Facilities

Ron Cowan Central Bay Operations and Maintenance Facility

The Central Bay Operations and Maintenance Facility is the home of the San Francisco Bay Ferry fleet in the central bay, providing a consolidated base to maintain vessels operating on its Alameda/Oakland, Alameda Harbor Bay, Richmond and South San Francisco ferry routes. The facility supports light maintenance, mooring, basic fueling, dispatch and operations, and includes an emergency operations center. The facility provides a 7-day fuel supply. The facility was opened in 2018. The project was constructed by Overaa/Power, a Joint Venture, and construction management is being provided by 4Leaf, Inc. WETA is continuing to work with the contractors to close out issues associated with the lube oil delivery system. WETA anticipates completion of this work in Fall 2020. Additionally, WETA will consider any electrical system modifications necessary to support the delivery of power at the facility to WETA’s new electric ferry under development. The electrification work is an ongoing effort and a completion timeline has not yet been identified. The total project budget has been reduced to incorporate the best estimate of the final project cost as we move closer to project completion.

North Bay Facility Improvement – Fuel System

This project will replace the existing diesel exhaust fluid (DEF) storage tank at the North Bay (Vallejo) Operations and Maintenance Facility with a larger tank to ensure sufficient supply of DEF is available for daily operations. DEF is necessary for the new Tier 4 engine systems to function properly to reduce emissions. This project will also include work necessary to improve fuel filtration at all the storage tanks at the facility which is essential for vessel engine performance and warranty claims.

Terminal Improvement

Install Mooring Piles – Harbor Bay Ferry Terminal

This continuing project will install two additional mooring piles with roller guard fenderings at the west end of the passenger boarding float to prevent damage to the vessels and float. The additional piles and fenderings will also allow for fleet compatibility and improve docking times in rough weather.

Main Street Terminal Rehabilitation – Engineering & Design

This project will support the preliminary engineering and design of replacement float and gangway at the Alameda Main Street ferry terminal. The current waterside infrastructure at the terminal is nearing the end of its useful life and this project is necessary to ensure continued safe operations at the terminal.

Shoreside Infrastructure for All-Electric Vessel

This project will design and construct shoreside charging infrastructure for the battery electric ferry vessel to be operated in future planned Mission Bay ferry service, a critical 2.6-mile link between the Mission Bay and the Downtown San Francisco ferry terminals. Staff anticipates being in a position to seek marine engineering services for project design in late Summer once WETA receives a state allocation of TIRCP grant funds to support project design and construction.

FERRY VESSELS:

Vessel Construction

New Commuter Class Vessel

This continuing project will design and construct two mid-sized high-speed passenger vessels. These new 300 passenger high speed, shallow draft vessels will establish a new class of WETA vessel with the versatility to support WETA's diverse system of services. In October 2018, the Board approved a contract award to Mavrik Marine, Inc. for construction of an initial vessel and in December 2019 the Board approved construction of a second, optional vessel. The current construction schedule anticipates the delivery of the first vessel in late Summer 2020 and the completion of the second vessel in Summer 2021.

Replacement Vessels - *MV Bay Breeze* and *MV Solano*

This project will design and construct end-of-life replacement vessels for the *MV Bay Breeze*, currently utilized in the Central Bay services, and *MV Solano*, previously used in the North Bay services. In February 2020, a contract award for construction management services was awarded to Aurora Maine Design. The Request for Proposals for vessel construction was released in May 2020. Proposals are due in June 2020 and a recommendation for contract award is anticipated to be ready for Board consideration in late Summer 2020.

New All-Electric Vessel

This project will design and construct a new small (99 passenger) battery-electric ferry vessel to support the operation of future Mission Bay ferry service. The new ferry service will provide a critical 2.6-mile link between the Mission Bay and the Downtown San Francisco ferry terminals. Staff anticipates being in a position to seek marine engineering services for project design in late Summer once WETA receives a state allocation of TIRCP grant funds to support project design and construction.

Vessel Rehabilitation and Refurbishment

Vessel Engine Overhaul – *MV Argo* and *MV Carina*

This continuing project will support the complete overhaul of the vessels' main propulsion engines in accordance with the original equipment manufacturer (OEM) preventative maintenance requirements. The completion of the projects will ensure that the engines operate safely, reliably, and efficiently over their economic useful life.

Vessel Engine & Reduction Gear Overhaul – *MV Pisces*, *MV Bay Breeze* and *MV Peralta*

The manufacture of the vessel main engines and reduction gears provides overhaul service intervals. These cyclical overhauls are required to ensure these major sub-components operate safely, reliably, and efficiently over their economic life. These projects will support the complete overhaul of the vessels' main propulsion engines and reduction gears.

Appendix 1

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

FY 2020/21 Operating Budget - Proposed							
	Alameda/ Oakland	Alameda Harbor Bay	Alameda Seaplane Lagoon	Vallejo	South San Francisco	Richmond	Total
Revenues							
Fare Revenue	\$491,000	\$161,100	\$204,700	\$1,142,100	\$29,100	\$61,400	\$2,089,400
Operating Subsidies	14,029,300	3,957,300	4,063,500	19,600,200	3,277,100	4,715,900	49,643,300
Total Revenues	\$14,520,300	\$4,118,400	\$4,268,200	\$20,742,300	\$3,306,200	\$4,777,300	\$51,732,700
Expenses							
Salaries, Wages & Fringe Benefits	\$704,900	\$223,200	\$293,800	\$778,600	\$30,900	\$68,400	\$2,099,800
Professional / Contract Services	817,400	293,000	194,600	1,181,000	189,000	294,200	2,969,200
Purchased Transportation	9,662,200	2,632,000	2,876,200	11,582,700	2,370,400	3,557,700	32,681,200
- Vessel Expense - Crew	5,016,400	1,387,900	1,626,600	5,474,400	1,215,000	2,021,500	16,741,800
- Vessel Expense - Maintenance	2,859,900	726,700	674,500	3,731,500	734,700	873,300	9,600,600
- Non-Vessel Expense	1,132,200	309,400	293,100	1,304,500	167,700	326,100	3,533,000
- Fixed Fees and Profit	653,700	208,000	282,000	1,072,300	253,000	336,800	2,805,800
Fuel - Diesel	1,919,400	548,100	403,500	5,425,000	389,000	535,500	9,220,500
- # of gallons	767,770	219,220	161,400	2,170,000	155,600	214,200	3,688,190
- Per gallon cost	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Repair, Operating & Promo Supplies	80,800	43,700	25,500	67,000	42,600	12,300	271,900
Utilities	130,100	39,500	37,900	153,500	43,700	51,700	456,400
Insurance	607,200	160,200	194,800	756,800	209,600	196,100	2,124,700
Advertising Media & Other Expenses	104,800	28,000	56,800	97,700	4,000	9,500	300,800
Leases, Rentals and Docking Fees	49,400	10,100	-	209,500	7,500	8,800	285,300
Admin Overhead Expense Transfer	444,100	140,600	185,100	490,500	19,500	43,100	1,322,900
Total Expenses	\$14,520,300	\$4,118,400	\$4,268,200	\$20,742,300	\$3,306,200	\$4,777,300	\$51,732,700
# of Passengers	110,586	35,011	46,095	122,149	4,849	10,738	329,428
Farebox Recovery	3%	4%	5%	6%	1%	1%	4%

Assumptions & Budget Changes:

- ▶ The total proposed FY2020/21 Ferry Service Operating Budget of \$51.5 million reflects a total increase of \$3.8 million or 8.0% over FY2019/20 Budget.
- ▶ The proposed budget supports San Francisco Bay Ferry (SFBF) baseline, pre COVID-19, level of service for all routes. It also includes 1) full Summer weekend service for the Richmond Ferry Service and 2) the start of the new Alameda Seaplane Lagoon Ferry Service in August.
- ▶ Total Salaries, Wages & Fringe Benefits and Admin Overhead Expenses Transfer are projected to increase \$1.2 million, when compared to FY2019/20 Budget due to the increase in direct charges from Planning & Administrations to Ferry Services as staff resources to support ferry operations increase.
- ▶ The projected increase of \$2.9 million for Purchased Transportation is mainly attributed to increased operating hours associated with the new Alameda Seaplane Lagoon Ferry Service, expanded Summer weekend service for the Richmond Ferry Service, new maintenance costs associated with the new and refurbished gates at the SF Ferry Building and general inflationary cost increases.
- ▶ System-wide average cost per gallon of Fuel for the first 10 months of FY2019/20, through April 2020, was \$2.44. Fuel is budgeted at \$2.50 per gallon for FY2020/21. The total fuel usage in FY2020/21 for the six routes is expected to be approximately 3.7 million gallons, an increase of 340,000 gallons. Total Fuel cost is projected to decrease \$827,000 in FY2020/21 resulting from lower budgeted per gallon cost.

**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Operating Budget - Proposed
Alameda Oakland Ferry Service (AOFS)**

	FY 2018/19	FY 2019/20	FY 2019/20	FY 2020/21
	Actual	Budget	Projected Actual	Proposed Budget
Revenues				
Fare Revenue	\$7,770,900	\$8,517,300	\$5,887,900	\$491,000
Operating Subsidies	5,558,400	6,399,100	8,233,200	\$14,029,300
Total Revenues	\$13,329,300	\$14,916,400	\$14,121,100	\$14,520,300
Expenses				
Salaries, Wages & Fringe Benefits	\$481,000	\$585,200	\$675,100	\$704,900
Professional / Contract Services	586,900	1,114,700	556,600	817,400
Purchased Transportation	9,624,200	9,588,500	9,919,500	9,662,200
- Vessel Expense - Crew	4,716,000	5,087,100	5,070,900	5,016,400
- Vessel Expense - Maintenance	3,192,700	2,631,400	3,152,300	2,859,900
- Non-Vessel Expense	946,400	1,107,900	934,300	1,132,200
- Fixed Fees and Profit	769,100	762,100	762,000	653,700
Fuel - Diesel	1,427,900	2,158,200	1,611,500	1,919,400
- # of gallons	549,423	719,390	646,960	767,770
- Per gallon cost	\$2.60	\$3.00	\$2.49	\$2.50
Repair, Operating & Promo Supplies	128,700	95,300	28,900	80,800
Utilities	90,600	112,900	145,000	130,100
Insurance	565,800	645,800	649,300	607,200
Advertising Media & Other Expenses	14,600	151,700	20,600	104,800
Leases, Rentals and Docking Fees	80,700	54,500	42,000	49,400
Admin Overhead Expense Transfer	328,900	409,600	472,600	444,100
Total Expenses	\$13,329,300	\$14,916,400	\$14,121,100	\$14,520,300
# of Passengers	1,384,443	1,473,580	1,002,771	110,586
<i>Farebox Recovery</i>	58%	57%	42%	3%

**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Operating Budget - Proposed
Alameda Harbor Bay Ferry Service (AHBF)**

	FY 2018/19	FY 2019/20	FY 2019/20	FY 2020/21
	Actual	Budget	Projected Actual	Proposed Budget
Revenues				
Fare Revenue	\$1,643,900	\$1,796,100	\$1,111,400	\$161,100
Operating Subsidies	1,964,400	2,180,200	1,657,000	3,957,300
Total Revenues	\$3,608,300	\$3,976,300	\$2,768,400	\$4,118,400
Expenses				
Salaries, Wages & Fringe Benefits	\$133,700	\$144,100	\$119,600	\$223,200
Professional / Contract Services	168,000	340,300	154,000	293,000
Purchased Transportation	2,629,600	2,529,900	1,839,500	2,632,000
- Vessel Expense - Crew	1,328,600	1,390,600	1,004,700	1,387,900
- Vessel Expense - Maintenance	879,000	751,200	545,400	726,700
- Non-Vessel Expense	213,400	180,000	81,400	309,400
- Fixed Fees and Profit	208,600	208,100	208,000	208,000
Fuel - Diesel	379,700	556,500	381,700	548,100
- # of gallons	146,106	185,500	153,280	219,220
- Per gallon cost	\$2.60	\$3.00	\$2.49	\$2.50
Repair, Operating & Promo Supplies	31,800	41,600	8,900	43,700
Utilities	24,900	36,300	33,000	39,500
Insurance	118,800	183,900	136,700	160,200
Advertising Media & Other Expenses	300	32,900	1,500	28,000
Leases, Rentals and Docking Fees	29,800	9,900	9,800	10,100
Admin Overhead Expense Transfer	91,700	100,900	83,700	140,600
Total Expenses	\$3,608,300	\$3,976,300	\$2,768,400	\$4,118,400
# of Passengers	355,713	362,840	246,657	35,011
<i>Farebox Recovery</i>	<i>46%</i>	<i>45%</i>	<i>40%</i>	<i>4%</i>

**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Operating Budget - Proposed
Alameda Seaplane Lagoon (SPL)**

	FY 2018/19	FY 2019/20	FY 2019/20 Projected	FY 2020/21 Proposed
	Actual	Budget	Actual	Budget
Revenues				
Fare Revenue	\$0	\$0	\$0	\$204,700
Operating Subsidies	0	0	0	4,063,500
Total Revenues	\$0	\$0	\$0	\$4,268,200
Expenses				
Salaries, Wages & Fringe Benefits	\$0	\$0	\$0	\$293,800
Professional / Contract Services	-	-	-	194,600
Purchased Transportation	-	-	-	2,876,200
- Vessel Expense - Crew	-	-	-	1,626,600
- Vessel Expense - Maintenance	-	-	-	674,500
- Non-Vessel Expense	-	-	-	293,100
- Fixed Fees and Profit	-	-	-	282,000
Fuel - Diesel	-	-	-	403,500
- # of gallons	-	-	-	161,400
- Per gallon cost	-	-	-	\$2.50
Repair, Operating & Promo Supplies	-	-	-	25,500
Utilities	-	-	-	37,900
Insurance	-	-	-	194,800
Advertising Media & Other Expenses	-	-	-	56,800
Leases, Rentals and Docking Fees	-	-	-	-
Admin Overhead Expense Transfer	-	-	-	185,100
Total Expenses	\$0	\$0	\$0	\$4,268,200
# of Passengers		-	-	46,095
<i>Farebox Recovery</i>				<i>5%</i>

**Transportation Authority
FY 2020/21 Operating Budget - Proposed
Vallejo Ferry Service (Vallejo)**

	FY 2018/19	FY 2019/20	FY 2019/20	FY 2020/21
	Actual	Budget	Projected Actual	Proposed Budget
Revenues				
Fare Revenue	\$11,481,200	\$11,878,700	\$8,260,600	\$1,142,100
Operating Subsidies	6,195,700	9,087,300	9,469,500	19,600,200
Total Revenues	\$17,676,900	\$20,966,000	\$17,730,100	\$20,742,300
Expenses				
Salaries, Wages & Fringe Benefits	\$401,800	\$441,700	\$556,500	\$778,600
Professional / Contract Services	424,000	995,900	630,700	1,181,000
Purchased Transportation	10,668,900	11,867,800	11,056,500	11,582,700
- Vessel Expense - Crew	5,240,400	5,489,000	5,345,300	5,474,400
- Vessel Expense - Maintenance	3,493,400	4,070,600	3,638,000	3,731,500
- Non-Vessel Expense	1,099,800	1,289,100	1,043,000	1,304,500
- Fixed Fees and Profit	835,300	1,019,100	1,030,200	1,072,300
Fuel - Diesel	5,109,900	6,332,600	4,123,900	5,425,000
- # of gallons	1,984,808	2,110,850	1,684,900	2,170,000
- Per gallon cost	\$2.57	\$3.00	\$2.45	\$2.50
Repair, Operating and Promo Supplies	64,800	38,100	22,100	67,000
Utilities	122,400	145,600	172,900	153,500
Insurance	460,300	634,800	639,900	756,800
Advertising Media & Other Expenses	21,200	97,400	19,400	97,700
Leases, Rentals and Docking Fees	128,600	102,900	118,600	209,500
Admin Overhead Expense Transfer	275,000	309,200	389,600	490,500
Total Expenses	\$17,676,900	\$20,966,000	\$17,730,100	\$20,742,300
# of Passengers	1,081,665	1,112,240	778,612	122,149
<i>Farebox Recovery</i>	65%	57%	47%	6%

**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Operating Budget - Proposed
South San Francisco Ferry Service (SSF)**

	FY 2018/19	FY 2019/20	FY 2019/20	FY 2020/21
	Actual	Budget	Projected Actual	Proposed Budget
Revenues				
Fare Revenue	\$1,055,600	\$1,185,500	\$763,800	\$29,100
Operating Subsidies	2,124,200	2,207,100	1,576,500	3,277,100
Total Revenues	\$3,179,800	\$3,392,600	\$2,340,300	\$3,306,200
Expenses				
Salaries, Wages & Fringe Benefits	\$70,000	\$62,400	\$53,100	\$30,900
Professional / Contract Services	110,200	162,300	102,700	189,000
Purchased Transportation	2,434,300	2,405,900	1,642,700	2,370,400
- Vessel Expense - Crew	1,255,600	1,342,400	875,300	1,215,000
- Vessel Expense - Maintenance	787,000	726,900	421,000	734,700
- Non-Vessel Expense	141,800	84,700	94,500	167,700
- Fixed Fees and Profit	249,900	251,900	251,900	253,000
Fuel - Diesel	282,400	447,300	272,100	389,000
- # of gallons	108,695	149,100	109,280	155,600
- Per gallon cost	\$2.60	\$3.00	\$2.49	\$2.50
Repair, Operating & Promo Supplies	28,100	42,900	10,800	42,600
Utilities	24,600	26,900	34,500	43,700
Insurance	160,000	174,500	179,200	209,600
Advertising Media & Other Expenses	14,100	18,200	700	4,000
Leases, Rentals and Docking Fees	8,400	8,500	7,300	7,500
Admin Overhead Expense Transfer	47,700	43,700	37,200	19,500
Total Expenses	\$3,179,800	\$3,392,600	\$2,340,300	\$3,306,200
# of Passengers	142,479	157,020	103,798	4,849
<i>Farebox Recovery</i>	<i>33%</i>	<i>35%</i>	<i>33%</i>	<i>1%</i>

**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Operating Budget - Proposed
Richmond Ferry Service (Richmond)**

	FY 2018/19 (Jan to Jun 2019) Actual	FY 2019/20 Budget	FY 2019/20 Projected Actual	FY 2020/21 Proposed Budget
Revenues				
Fare Revenue	\$483,400	\$1,142,400	\$889,700	\$61,400
Operating Subsidies	1,240,200	3,308,200	2,227,800	4,715,900
Total Revenues	\$1,723,600	\$4,450,600	\$3,117,500	\$4,777,300
Expenses				
Salaries, Wages & Fringe Benefits	\$16,900	\$73,800	\$60,800	\$68,400
Professional / Contract Services	50,900	123,600	107,600	294,200
Purchased Transportation	1,326,700	3,408,800	2,301,100	3,557,700
- Vessel Expense - Crew	672,200	2,023,800	1,188,600	2,021,500
- Vessel Expense - Maintenance	371,400	830,500	643,300	873,300
- Non-Vessel Expense	121,000	218,200	133,000	326,100
- Fixed Fees and Profit	162,100	336,300	336,200	336,800
Fuel - Diesel	212,500	552,400	342,300	535,500
- # of gallons	81,430	184,120	137,460	214,200
- Per gallon cost	\$2.61	\$3.00	\$2.49	\$2.50
Repair, Operating & Promo Supplies	16,400	15,900	8,400	12,300
Utilities	17,600	38,400	49,400	51,700
Insurance	67,200	156,700	193,700	196,100
Advertising Media & Other Expenses	-	20,700	3,000	9,500
Leases, Rentals and Docking Fees	4,200	8,600	8,600	8,800
Admin Overhead Expense Transfer	11,200	51,700	42,600	43,100
Total Expenses	\$1,723,600	\$4,450,600	\$3,117,500	\$4,777,300
# of Passengers	84,576	185,760	157,520	10,738
<i>Farebox Recovery</i>	<i>28%</i>	<i>26%</i>	<i>29%</i>	<i>1%</i>

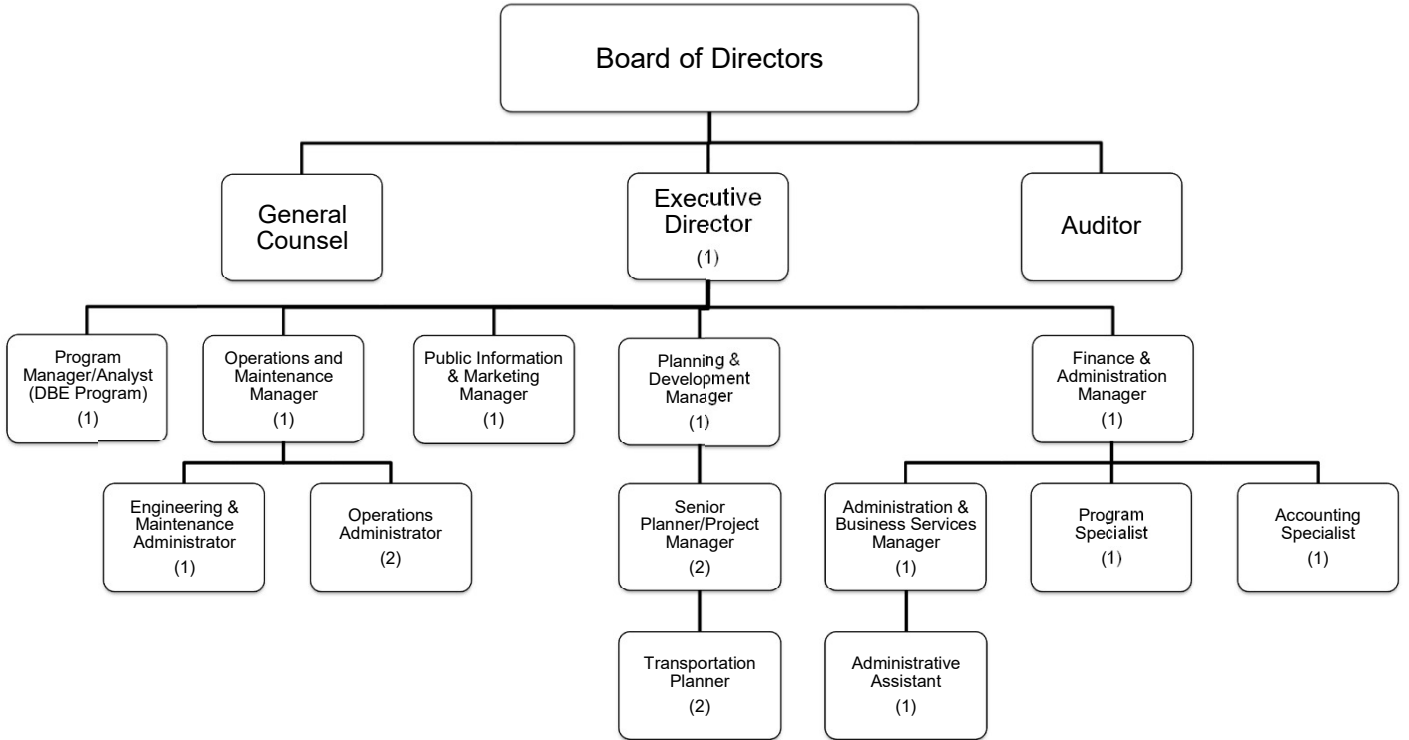
**San Francisco Bay Area Water Emergency
Transportation Authority
FY 2020/21 Operating Budget - Proposed
Planning & Administration**

	FY 2018/19	FY 2019/20	FY 2019/20 Projected	FY 2020/21 Proposed
	Actual	Budget	Actual	Budget
Revenues				
Bridge Toll Revenue	\$2,353,100	\$3,000,000	\$3,000,000	3,000,000
Other Revenue - Short Range Transit Plan	-	-	30,000	-
Total Revenues	\$2,353,100	\$3,000,000	\$3,030,000	3,000,000
Expenses				
Salaries, Wages & Fringe Benefits	\$1,273,600	\$1,508,900	\$2,357,100	\$1,863,200
- Salaries & Wages	1,641,200	2,084,600	1,960,800	2,181,900
- Fringe Benefits	1,073,200	1,352,700	2,097,500	1,781,300
- Less Direct Charges to Ferry Services & Capital	(1,440,800)	(1,928,400)	(1,701,200)	(2,100,000)
Professional / Contract Services	1,001,900	1,768,900	1,124,000	1,798,400
- Management Svcs	457,500	531,000	585,100	517,500
- Advertising Fees	12,900	34,000	54,700	10,000
- Professional & Technical Svcs	401,500	1,140,300	439,100	1,189,800
- Other Services	130,000	63,600	45,100	81,100
Repair, Operating & Promo Supplies	163,300	62,400	30,600	47,400
Utilities	47,000	51,500	49,700	92,900
Insurance	25,400	28,600	25,300	28,000
Advertising Media & Other Expenses	211,400	109,600	76,000	95,800
Leases, Rentals and Docking Fees	385,000	385,200	393,000	397,200
Subtotal Expenses	\$3,107,600	\$3,915,100	\$4,055,700	\$4,322,900
Overhead Expense Transfers				
Alameda/Oakland Service	(\$329,000)	(\$409,600)	(\$472,600)	(\$444,100)
Alameda Seaplane Lagoon	\$0	\$0	\$0	(185,100)
Alameda Harbor Bay Service	(91,700)	(100,900)	(83,700)	(140,600)
South San Francisco Service	(47,700)	(43,700)	(37,200)	(19,500)
Vallejo Service	(274,900)	(309,200)	(389,600)	(490,500)
Richmond Service	(11,200)	(51,700)	(42,600)	(43,100)
Subtotal Expense Transfers	(\$754,500)	(\$915,100)	(\$1,025,700)	(\$1,322,900)
Total Expenses	\$2,353,100	\$3,000,000	\$3,030,000	\$3,000,000

Assumptions & Budget Changes:

- ▶ Includes a 2.9% cost of living increase for staff positions based on the one-year (February 2019 to February 2020) change in the Consumer Price Index for the San Francisco Bay Area.
- ▶ Total Salaries, Wages & Fringe Benefits represents total staffing level to 17. Currently 1 position is unfilled.
- ▶ Total Salaries, Wages & Fringe Benefits is projected to decrease, when compared to prior year estimated actual, due to the increase in direct charges to Ferry Services as staff resources to support ferry operations increase.
- ▶ Includes Employer Public Employee Retirement System (PERS) contribution of up to 12.36% and Other Post Employment Benefits (OPEB) contribution of 16.50%.
- ▶ Professional & Technical Services includes funds for contract consultant services to support such activities as Berkeley feasibility study, hovercraft feasibility study and other system planning, operating and technical support activities.

Appendix 2



WETA Pay Schedule
Fiscal Year 2020/21
(effective date 7/1/2020)

Position	Salary Range: Annually	
	Low	High
Accounting Specialist (non-exempt)	\$59,940	\$85,620
Administration & Business Services Manager	\$85,570	\$122,250
Administrative Assistant (non-exempt)	\$55,950	\$79,920
Engineering & Maintenance Administrator	\$105,390	\$150,550
Finance & Administration Manager	\$129,240	\$184,620
Operations & Maintenance Manager	\$129,240	\$184,620
Operations Administrator	\$85,880	\$122,690
Planning & Development Manager	\$138,680	\$198,100
Program Manager/Analyst	\$105,390	\$150,550
Program Specialist	\$68,770	\$98,240
Public Information & Marketing Manager	\$114,060	\$162,950
Senior Planner/Project Manager	\$109,730	\$156,750
Transportation Planner	\$84,500	\$120,710

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-17

**APPROVE ADOPTION OF THE FISCAL YEAR 2020/21
OPERATING AND CAPITAL BUDGET**

WHEREAS, Chapter 5, Article 4, Section 66540.41 of WETA's administrative code requires preparation and implementation of an annual budget to support the agency's operation; and

WHEREAS, the Fiscal Year (FY) 2020/21 Operating and Capital Budget (Budget) contains \$86.7 million in expenditures including \$54.7 million to support system operations and \$32.0 to support capital projects; and

WHEREAS, the Budget is funded with \$27.5 million from bridge tolls, \$26.1 million from federal funds, \$16.5 million from state funds, \$11.3 from local funds, \$3.2 million vessel sales proceeds, and \$2.1 from passenger fares; and

WHEREAS, the FY 2020/21 Budget reflects a spending plan to support the work activities necessary to deliver WETA's operating program of projects, plans and services utilizing WETA staff, consultants, and WETA's contract operator Blue & Gold Fleet; and

WHEREAS, the FY 2020/21 Budget includes an Organizational Chart and Pay Schedule for staff developed consistent with WETA's Human Resources Guide and California Public Employees' Retirement Law; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves the adoption of the FY 2020/21 Budget including the annual pay schedule; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to amend Contract #11-011 with Blue & Gold Fleet, Inc. to support the FY 2020/21 work program, add the operation of Seaplane Lagoon Service and incorporate the use of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to support contract costs.

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 May 21, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-17

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Authorize Filing Applications with the Metropolitan Transportation Commission for Fiscal Year 2020/21 Regional Measure 1 and Regional Measure 2 Funds

Recommendation

Approve the following actions relative to securing operating and capital grant funds to support WETA's Fiscal Year (FY) 2020/21 Operating and Capital Budget:

1. Authorize the Executive Director to file an application with the Metropolitan Transportation Commission (MTC) for a total of \$7,644,050 FY 2020/21 Regional Measure 1 (RM1) operating and capital funds; and
2. Authorize the Executive Director to file applications with MTC for a total of \$19,500,000 FY 2020/21 Regional Measure 2 (RM2) operating funds; and
3. Authorize the Executive Director to take any other related actions as may be required to secure these funds.

Background

In November 1988, voters approved Regional Measure 1 (RM1), authorizing a toll increase to a standard auto \$1.00 toll on all state-owned bridges in the Bay Area. Five percent (RM1 - 5%) of the revenue derived from this toll increase is made available for allocation by MTC for ferry transit operations and bicycle related planning, and two percent (RM1 - 2%) of the revenue from the toll increase is programmed and allocated solely for the capital costs associated with the design, construction, and acquisition of rapid water transit systems.

In 2004, voters approved Regional Measure 2 (RM2) authorizing an additional \$1.00 toll increase on the state-owned bridges in the Bay Area to fund various transportation projects within the region including both capital projects and operating support for a number of transit services as identified in Section 30914(c) and (d) of the California Street and Highways Codes (S&HC).

Senate Bill 976 amended State law to direct all RM1 and RM2 funds for ferries through MTC to WETA beginning January 1, 2008 to support operation of WETA's regional ferry system.

Discussion

This item authorizes staff to prepare and submit applications to MTC for available RM1 and RM2 operating and capital funds required to support agency planning, administration, ferry service operations, and capital expenditures included in the proposed FY 2020/21 Operating and Capital Budget.

FY 2020/21 RM1 Funds

This item includes authorization to file applications with MTC to receive a total of \$7,644,050 in RM1 funds needed to support WETA's FY 2020/21 budget, including \$7,113,600 in operating funds and \$530,450 in capital funds as described below.

RM 1 Operating (RM1 – 5%)

WETA is eligible to receive an annual allocation of RM1-5% operating funds to support transbay ferry services. As identified in the proposed FY 2020/21 Operating Budget, \$7,113,600 RM 1-5% funds will be requested. This includes \$3,374,700 in new FY 2020/21 program funds and \$3,738,900 in prior year carryover funds.

RM1 Capital (RM1 – 2%)

WETA is eligible to receive annual allocations of RM1 - 2% funds dedicated to ferry capital projects. As identified in the proposed FY 2020/21 Capital Budget, RM1 capital funds will be required for the following project:

- North Bay Facility Improvement – Fuel System \$530,450

FY 2020/21 RM2 Operating Funds

WETA is eligible to receive annual allocations of RM2 operating funds to support 1) general agency administrative and planning activities and 2) transbay ferry services. As identified in the proposed FY 2020/21 Operating Budget, RM2 operating funds will be requested at the full amount potentially available as follows:

- WETA Planning and General Administration \$ 3,000,000
- Transbay Ferry Services \$16,500,000
- Total \$19,500,000

While MTC staff has indicated that RM2 toll funds may be reduced in FY 2020/21 due to reduced bridge traffic, the actual reductions are not yet known. Requesting full funding will assure WETA receives as close to full funding as possible.

Fiscal Impact

This item supports securing RM1 and RM2 operating funds totaling \$26,613,600 and capital funds in the amount of \$530,450 to support WETA's FY 2020/21 Operating and Capital Budget as proposed.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2020-18

AUTHORIZE FILING AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION FOR FY 2020/21 REGIONAL MEASURE 1 - 2% BRIDGE TOLL RESERVE CAPITAL, REGIONAL MEASURE 1 - 5% UNRESTRICTED STATE OPERATING AND REGIONAL MEASURE 2 OPERATING AND CAPITAL FUNDS

WHEREAS, Bay Area voters approved Regional Measure 1 (RM1) in November 1988, which authorized a standard auto toll of \$1.00 for all seven state-owned Bay Area toll bridges; and

WHEREAS, up to five percent (5%) of the revenue derived from the toll increase was made available for allocation by the Metropolitan Transportation Commission (MTC) to transportation projects that reduce congestion in the bridge corridors; and

WHEREAS, the law was amended in 1997 to direct MTC to allocate an additional two percent (2%) of the RM1 toll increase (RM1 – 2%) solely for planning, construction, operation, and acquisition of rapid water transit system; and

WHEREAS, the law was further amended in 2007 to name the San Francisco Bay Area Water Emergency Transportation Authority (WETA) as the eligible recipient of these funds; and

WHEREAS, staff has identified the need for RM1 – 2% capital assistance for projects necessary for the efficient operation of these ferry services; and

WHEREAS, SB 916 (Chapter 715, Statutes 2004), commonly referred to as Regional Measure 2 (RM2), identified projects eligible to receive funding under the Regional Traffic Relief Plan; and

WHEREAS, MTC is responsible for funding projects eligible for RM2 funds, pursuant to Streets and Highways Code §30914(c) and (d); and

WHEREAS, MTC has established a process whereby eligible transportation project sponsors may submit allocation requests for RM2 funding; and

WHEREAS, allocations to MTC must be submitted consistent with procedures and conditions as outlined in RM2 Policy and Procedures; and

WHEREAS, WETA is an eligible sponsor of transportation projects in RM2, Regional Traffic Relief Plan funds; and

WHEREAS, WETA's *Transbay Ferry Service (Project #6) and Regional Planning and Operations (Project #11)* are eligible for consideration in the Regional Traffic Relief Plan of RM2, as identified in California Streets and Highways Code §30914(c) or (d); and

WHEREAS, the RM2 allocation request demonstrates a fully funded operating plan that is consistent with the adopted performance measures, as applicable, for which WETA is requesting that MTC allocate RM2 funds; and

WHEREAS, Part 2 of the project application includes the certification by WETA of assurances required for the allocation of funds by MTC; now, therefore, be it

RESOLVED, that WETA and its agents shall comply with the provisions of the MTC's RM2 Policy Guidance (MTC Resolution No. 3636); and be it further

RESOLVED, that WETA certifies that the project is consistent with the Regional Transportation Plan (RTP); and be it further

RESOLVED, that WETA approves the Operating Assistance Proposal; and be it further

RESOLVED, that WETA approves the Certification of Assurances; and be it further

RESOLVED, that WETA is authorized to submit an application for RM2 funds for planning and administration of the regional ferry services in accordance with California Streets and Highways Code 30914(d); and be it further

RESOLVED, that WETA is authorized to submit an application for RM2 funds for the operation of transbay ferry services in accordance with California Streets and Highways Code 30914(d); and be it further

RESOLVED, that WETA certifies that the projects and purposes for which RM2 funds are being requested are in compliance with the requirements of the California Environmental Quality Act (Public Resources Code §21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations §150000 et seq.) and, if relevant, the National Environmental Policy Act (NEPA), 42 USC § 4-1 et seq. and the applicable regulations thereunder; and be it further

RESOLVED, that there is no legal impediment to WETA making allocation requests for RM2 funds; and be it further

RESOLVED, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of WETA to deliver such project; and be it further

RESOLVED, that WETA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and be it further

RESOLVED, that WETA indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of the Authority, its officers, employees or agents, or subcontractors or any of them in connection with its performance of services under this allocation of RM2 funds. In addition to any other remedy authorized by law, so much of the funding due under this allocation of RM2 funds as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages; and be it further

RESOLVED, that WETA shall, if any revenues or profits from any non-governmental use of property (or project) that those revenues or profits shall be used exclusively for the public transportation services for which the project was initially approved, either for capital improvements or maintenance and operational costs, otherwise MTC is entitled to a proportionate share equal to MTC's percentage participation in the project(s); and be it further

RESOLVED, that assets purchased with RM2 funds including facilities and equipment shall be used for the public transportation uses intended and should said facilities and equipment cease to be operated or maintained for their intended public transportation purposes for its useful life, that MTC shall be entitled to a present-day value refund or credit (at MTC's option) based on MTC's share of

the Fair Market Value of the said facilities and equipment at the time the public transportation uses ceased, which shall be paid back to MTC in the same proportion that RM2 funds were originally used; and be it further

RESOLVED, that WETA's Board of Directors hereby approve the applications for operation and capital assistance and authorizes its Executive Director or her designee, to execute and submit allocation requests with MTC for FY 2020/21 Regional Measure 1 - 5% Unrestricted State Funds and 2% Bridge Toll Revenue Funds and to enter into all agreements necessary to secure these funds; and be it further

RESOLVED, that WETA's Board of Directors authorizes its Executive Director or her designee, to execute and submit an allocation request with MTC for FY 2020/21 RM2 operating funds in the amount of \$19,500,000 for the project, purposes and amounts included in the project applications attached to this resolution; and be it further

RESOLVED, that a copy of this resolution shall be transmitted to MTC in conjunction with the filing of WETA's applications referenced herein.

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 May 21, 2020.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2020-18

END