

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

(July 16, 2020)

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

1. CALL TO ORDER – BOARD CHAIR

Chair James Wunderman called the meeting to order at 12:30 p.m. He welcomed staff and meeting guests and noted that the meeting was being recorded. Chair Wunderman also advised how guests could sign up to speak to Directors throughout the meeting.

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

2. ROLL CALL

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

3. REPORT OF BOARD CHAIR

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

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

4. REPORTS OF DIRECTORS

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

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

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

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

5. REPORTS OF STAFF

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- a. Board Meeting Minutes – June 4, 2020
- b. Board Meeting Minutes - June 18, 2020
- c. Authorize Update of Signature Authority for Local Agency Investment Fund Account

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

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

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

7. APPROVE FISCAL YEAR 2020/21 OPERATING BUDGET ADJUSTMENT

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

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

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

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

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

Chair Wunderman called for public comments and there were none.

Director Intintoli seconded the motion and the item passed unanimously.

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

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

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

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

Chair Wunderman called for public comments and there were none.

Director Intintoli made a motion to approve the item.

Director Moyer seconded the motion and the item passed unanimously.

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

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

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

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

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

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

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

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

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

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

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

Chair Wunderman called for public comments and there were none.

Director Intintoli seconded the motion and the item passed unanimously.

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

10. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

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

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

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

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

- Board Secretary

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