

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

[August 8, 2024]

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the Port Commission Hearing Room at the Ferry Building, Second Floor, San Francisco, CA and via videoconference.

1. CALL TO ORDER

Chair James Wunderman called the meeting to order at 1:04 p.m.

2. ROLL CALL

Chair James Wunderman, Vice Chair Monique Moyer, Director Jessica Alba, and Director Pippin Dew were in attendance.

Chair Wunderman led the Pledge of Allegiance. He welcomed directors, staff, and meeting guests and noted that the meeting was being conducted in person and by videoconference and was being recorded. He advised guests about offering public comment and how guests could sign up to speak throughout the meeting.

3. REPORT OF BOARD CHAIR

Chair Wunderman said that good ridership numbers during this economic period was encouraging for the future of the organization. He stated that there have been challenges and issues when doing something different with the launch of *Sea Change* and *Woodstock*.

4. REPORTS OF DIRECTORS

Vice Chair Moyer thanked the staff, communities, Blue & Gold Fleet (Blue & Gold), and anyone else involved in making the pilot programs happen.

Vice Chair Moyer reported that she and Director Jeffrey DelBono represented WETA at the Grand Opening celebration of Swedish electronic battery manufacturer, Echandia's new facility in Marysville, WA that will supply the American-made maritime battery systems for SF Bay Ferry's Rapid Electric Emission-Free (REEF) Ferry Program. She said that she was honored to represent WETA along with Washington State Governor Jay Inslee, Marysville Mayor Jon Nehring, and other dignitaries where Governor Inslee announced moving towards leveraging battery systems on the Washington State Ferries.

Vice Chair Moyer said the highlight of their trip was visiting Mavrik Marine in La Conner, WA to see the two vessels being built and explain who "Karl the fog" is, and thanked Director of Project Delivery and Engineering Timothy Hanners for setting up the visit. She added that it was a fantastic trip and was pleased to have had the opportunity to see the momentum continuing with support from the State and region in pursuit of WETA's vision for economic vitality and environmental stewardship.

Director Dew remarked that she had attended the launch of *Sea Change* with her daughter who found it interesting and cool to drink emissions from the water fountain.

The Directors expressed excitement about the three pilot programs in operation this summer and continuing the momentum.

Chair Wunderman thanked staff for working towards his request for changing meeting locations.

5. REPORTS OF STAFF

Executive Director Seamus Murphy stated that it was a busy July with the christening of the *Sea Change* and the start of the Oakland Alameda Water Shuttle and Redwood City Ballpark Ferry Service pilot projects.

Mr. Murphy said that the *Sea Change* earned WETA a lot of attention, being the first of its kind. Issues with the operation and reliability of the *Sea Change* have arisen, and a comprehensive report on its applicability to SF Bay Ferry's services and its future as part of the ferry network will be provided at the end of the six-month pilot. He remarked that many people were riding to experience the technology first-hand and the water fountain exhaust, including his own family.

Mr. Murphy reported that ridership on the Oakland Alameda Water Shuttle has been a huge hit. He said that the pontoon damage that occurred on day one has been resolved, and the service has been operating reliably. SF Bay Ferry will be working with its partners to enhance service.

Mr. Murphy stated that ramp work was required at the Port of Redwood City prior to the launch of the Redwood City Ballpark Ferry Service which carried about 250 riders for its first run.

Mr. Murphy mentioned that two Request for Proposals (RFP) were released. The first is the 150-passenger electric vessel that will serve the San Francisco waterfront, and the second is for two 400-passenger vessels that will serve the Central Bay routes. He said that the projects would be receiving attention as the vessels will be the first in the country to operate on a high-speed passenger ferry network.

Mr. Murphy reported that representatives from the Federal Transit Administration (FTA) were onsite to conduct WETA's triennial review that resulted in a few findings that WETA will correct with its next quarterly reporting to FTA. He said that the FTA team took the ferry over to the Alameda Seaplane Ferry Terminal to visit the Central Bay Operations and Maintenance Facility.

Mr. Murphy said that WETA is working on Metropolitan Transportation Commission's (MTC) regional transportation plan, Plan Bay Area 2050+. He stated that there were issues with the first draft that was presented at the Regional Network Management Council Meeting which did not include WETA's Berkeley and Redwood City expansion projects. He said that stakeholders encouraged MTC staff to include the expansion projects in the plan with the next draft noting that final adoption would take approximately six months. He added that Berkeley and Redwood City had ferry-specific funding that would not compete with other projects, but that MTC looked at the overall amount of money available to the region and determined that the expansion projects overlapped with existing transit services in its evaluation.

Mr. Murphy provided five written reports and invited Joe Ramey, Project Development and Controls and Gabriel Chan, Transportation Planner to report on the operations and ridership. Mr. Ramey reported that on-time performance for 2024 was identical to the same period (January through July) in 2023 at 97.3 percent with a slight improvement in reliability for the same period. He said that 0.5 percent of total trips were cancelled. He noted that on-time performance for Vallejo weekend service declined in recent months, which he believed correlated to higher ridership.

Mr. Ramey invited Director of Operations and Customer Experience Thomas Hall to discuss preliminary observations and solutions to improve on-time performance for the Vallejo weekend service. Mr. Hall said WETA reviewed all the weekend delays over a certain period and made some adjustments including shifting the locations of Guest Assistant Representatives and reestablishing direct Giants Ballpark Service from Alameda, Oakland, and Vallejo from the Ballpark Short Hop Service after three years of service. Mr. Hall clarified that recreational riders are not familiar with the protocols of riding the ferry and are not in a rush to disembark compared to commute riders.

Mr. Chan reported that ridership for July was exceptionally strong with over 267,000 total boardings boosted from June ridership with the opening of the Oakland Alameda Water Shuttle and the Redwood City Ballpark Service. He said that Saturdays were the third strongest ridership day behind Tuesdays and Wednesdays. He added that SF Bay Ferry continues to outperform other regional operators in terms of regional ridership.

Mr. Murphy concluded his report and offered to answer questions.

PUBLIC COMMENT

Team Folds Representative Alita Dupree said that she has been following the status of the *Sea Change* and hoped to ride it one day. Ms. Dupree thanked WETA for advocating for funding.

Former Port of Redwood City Port Commission Chairperson Lorianna Kastrop reported that she had just stepped down as a commissioner after 16 years and wanted to thank WETA for its support of Redwood City ferry service. She said that she was able to take the first ride on the Redwood City Ballpark Service and noted that everyone was having a good time. She commended WETA, the crew, and especially the captain for carefully navigating through the channel to minimize disturbance to the recreational water participants.

Chair Wunderman thanked Ms. Kastrop for her work and support of WETA, her friendship, and encouraged her to stay involved.

6. CONSENT CALENDAR

Director Alba made a motion to approve the consent calendar:

- a. Approve Board Meeting Minutes – July 11, 2024
- b. Authorize the Filing of an Application with the Metropolitan Transportation Commission for \$18,000,000 in Regional Measure 3 Capital Funds
- c. Approve Sole Source Contract Award to Pacific Power Group, LLC for Main Engine Preventative Maintenance Services

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

Director Dew seconded the motion, and the consent calendar carried unanimously.

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

7. AUTHORIZE SUBMITTING AN APPLICATION FOR FTA FORMULA FUNDING FOR FISCAL YEARS 2024/25-2028/29 WITH SF BAY FERRY TRANSIT CAPITAL PRIORITIES

Grants Manager Jennifer Raupach presented this item for authorizing submission of an application to the MTC for funding under the FTA Formula Program and Surface Transportation Program in the amount of \$55.995 million for Fiscal Years 2024/25 through 2028/29 Transit Capital Priorities (TCP). She clarified that the request would support various capital improvement projects on existing facilities and assets.

Vice Chair Moyer made a motion to adopt Resolution No. 2024-38 approving this item.

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

Director Dew seconded the motion, and the item passed unanimously.

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

8. ADOPT SUSTAINABILITY POLICY

Senior Transportation Planner Arthi Krubanandh presented this item for adopting the Sustainability Policy (Policy) that was designed to adopt specific goals and objectives supporting Focus Area #3 – Environmental Stewardship of the 2050 Service Vision & Business Plan. She said that staff would initiate an outreach process to develop a short-term Sustainability Plan consistent with the Policy upon the Board's adoption of the Policy.

PUBLIC COMMENT

Ms. Dupree voiced her support for the Sustainability Policy.

Ms. Krubanandh confirmed that the action would be adoption of the final policy. Chair Wunderman thanked Ms. Krubanandh for incorporating the suggestions of the Board from the previous meeting.

Director Dew shared that she had a conversation with MTC Commissioner James Spering about creating a regional Joint Powers Authority (JPA) for dredging to enable those in need of dredging to be more effective, efficient, and ecological and thought that it would be good for SF Bay Ferry to consider.

Director Dew asked for thoughts on examples on ways to encourage waterfront development in areas adjacent to San Francisco Bay that have potential for reducing energy consumption.

Mr. Murphy said that SF Bay Ferry could advocate and support development at densities that would encourage more ridership and making certain that SF Bay Ferry services are operating in a way that would support those developments including talking to developers, cities, and communities.

Director Dew made a motion to adopt Resolution No. 2024-39 approving this item.

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

Director Alba seconded the motion, and the item passed unanimously.

Yeas: Alba, Dew, Moyer, Wunderman. Nays: None. Absent: DeIBono.

9. BOARD WORKSHOP: EXPANDING THE BAY AREA MARITIME INDUSTRY

Chair Wunderman commented on this item which he said has been in the planning stages for a period. He said that SF Bay Ferry had come to an agreement to invest significant time, resources, and energy in bringing to bear the first electric fleet when the California Air Resources Board had introduced the Commercial Harbor Craft (CHC) Regulation.

Chair Wunderman said that SF Bay Ferry operates the nation's cleanest diesel vessels, and the vessels continue to get cleaner. He said that he was proud of what has been achieved so far but was committed to doing much more at higher prices that do not come easily or cheaply.

Chair Wunderman said that federal law makes it clear that vessels operated by SF Bay Ferry be manufactured in the United States (US). He said that the region was developed based on shipbuilding and asked about the possibility of once again creating vessels in the San Francisco Bay Area such as the *Klamath*, home of the Bay Area Council, which was built in 1924 at Bethlehem Shipyard in San Francisco.

Chair Wunderman said that shipbuilding developed in the area due to the Gold Rush and wars where San Francisco became the central point for shipbuilding and repair, a major part of the regional economy of the workforce and culture. He said that as the war ended, the Navy stopped investing funds in building new ships. He said that now there is an opportunity to bring shipbuilding back with different sets of materials, employees, and locations.

Chair Wunderman stated that the Bay Area economy is the worst in the country post-pandemic and is mostly compressed into information technology and related business. He felt that it was society's obligation to have a diverse economy with access to good paying jobs with benefits. He said that Regional Measure (RM) 3 which raised bridge tolls was approved by the voters a few years ago directed a significant amount of funds to ferry production and operation. He felt that several factors be taken into consideration when awarding a contract and expressed a responsibility to do so in a way that economically benefits this region.

Chair Wunderman said that the purpose of the workshop was to explore the potential for reestablishing a maritime industry in the Bay Area. He realized that this endeavor was going to be expensive but was looking forward to hearing from the presenters.

Mr. Murphy provided a few comments about how a transit agency's services and expansion projects benefit the regional economy. He mentioned that most of the work done regionally has been in the maintenance and repair program. He said that the US shipyard capacity is constrained and has been working to encourage international companies that are developing battery and electric vessel technology to come to the US to support SF Bay Ferry's REEF Program.

Director of Project Delivery and Engineering Timothy Hanners shared information on the local shipyard capacity, SF Bay Ferry's routine and ongoing repair and maintenance program, and the industry status of the region. Mr. Hanners commented that all the routine work is usually completed in the Bay Area with minimal travel costs and confirmed the lack of shipyards impacts the repair schedule.

Bay Ship & Yacht (Bay Ship) General Manager Gerona Goethe joined by Chief Executive Officer Joel Welter shared a current photo of Bay Ship's shipyard and stated that Bay Ship was mainly a repair facility based in Alameda, CA that supported local ferry operators within San Francisco, as well as local tug companies, federal contractors, and private owners. Ms. Goethe said that Bay Ship can support emergency work whenever possible and remarked that Bay Ship provided a build bid a long time ago under MV *Peralta*, got close, but continued with the repair work. Ms. Goethe invited Mr. Welter to provide some history on the build bid.

Mr. Welter stated that Bay Ship submitted a build proposal over twenty years ago while working at Bay Ship as a junior engineer, lost, but found that repair work and barge and float builds were a better fit for Bay Ship.

Chair Wunderman stated that public comment would be taken later and continued with the panel of speakers.

Lind Marine President and Owner Christian Lind began by noting that Lind Marine owns Moose Boats, which is an exclusive aluminum catamaran and monohull boatbuilder. Mr. Lind said that Lind Marine has engaged in drydocking many of SF Bay Ferry's vessels at its facility located on Mare Island and remained open to continue repair work for SF Bay Ferry.

Mr. Lind was joined by Vice President of Operations Services, ESG Programs and Compliance Bill Butler. Mr. Butler stated that Lind Marine, through its Moose Boats division, recently manufactured a 75-foot aluminum passenger catamaran that is in service in the Bay Area and will be building a 122-foot steel construction passenger vessel later this year.

Mr. Lind stated that it was not a level playing field, and it is difficult for Lind Marine and Moose Boats to bid on the current vessels due to the higher cost of living and the highly regulated environmental atmosphere in the Bay Area.

Chair Wunderman commented that the purpose of the new technology was to clean up the environment and reduce greenhouse gases (GHG) and particulate matter but building outside the Bay Area is

exporting pollution where labor laws are less equitable resulting in the exportation of much of the California economy.

Director Dew said that she toured Lind Marine and Moose Boats' facilities and was impressed with their work.

Chair Wunderman thanked Mr. Lind for the work that Lind Marine did on the *Klamath*.

Mare Island Dry Dock, LLC Project Manager AJ Pangelinan stated that Mare Island Dry Dock, which has two dry docks with a third close to activation (720 and 780 feet in length), was focused on repairs, specifically federal government work, and has been in operation for over ten years.

Chair Wunderman asked to be educated about the most serious environmental regulations preventing shipbuilders from building in the Bay Area to see if anything can be done legislatively or by working with California regulatory agencies.

Mr. Murphy introduced Government and Regulatory Affairs Manager Lauren Gularte to talk about the national shipyard capacity constraints. Ms. Gularte said that capacity constraints are not unique to the Bay Area stating that overall shipbuilding capacity output has decreased by 85 percent from the 1950s due to the contraction of the US military. She said that the US military had over 1,000 ships in the 1950s dropping down to 272 ships in 2017 back up to 472 ships in 2024. She said that there are 154 shipyards with varying specialties and skills spread across 29 different states.

Ms. Gularte noted that Secretary of the Navy Carlos Del Toro stated that this was a national security issue with the lack of shipyards, skilled maritime workforce, and the maritime supply chain.

Ms. Gularte said that she held a meeting with members of the Public Ferry Coalition who expressed the same issues.

Former Washington State Department of Transportation Assistant Secretary Patty Rubstello shared her shipbuilding experience with the challenges and solutions with and congratulated SF Bay Ferry on the launch of *Sea Change*. She added that the federal procurements prohibited geographical preferences.

Mr. Murphy remarked that federal funds were a primary source of funding for SF Bay Ferry that would enable the leveraging of RM 3 funds. He said that SF Bay Ferry was working to get the federal restrictions on prohibiting geographical preferences relaxed with help from Congressman John Garamendi. He added that there is a new Office of Management and Budget (OMB) Federal Register recommendation to remove the restriction for federally funded contracts.

Mr. Murphy introduced the next set of presenters to talk about opportunities.

Marine Group Boat Works (MGBW) President Todd Roberts stated that MGBW was a family-owned business based in San Diego occupying over a million square feet including land and water. He shared his presentation on MGBW's services which include repair, maintenance and refits; mechanical and machining; coatings and preservation; and new construction in the 100 to 250-foot range. He explained how MGBW is a sustainable shipyard and is working on a modernization project to increase capacity.

Mr. Roberts provided some job and economic information and the barriers to expanding to the Bay Area. He said that MGBW constructs multi-purpose crafts, dive boats, workboats, and tugboats and was currently building two patrol boat for the country of Jordan. He mentioned that MGBW submitted a proposal for the Hydrus class vessels and was the lowest bidder but was not selected. Mr. Roberts commented that putting together a proposal for new construction costs \$20,000 to \$35,000 to put together. He said that he was excited about the opportunity and that expanding to the Bay Area was a three-to-four-year runway.

Vice Chair Moyer asked for a follow up to continue the conversation with informal discussions to keep the energy and momentum going.

Port of San Francisco (SF Port) Assistant Deputy Director of Maritime Dominic Moreno said that SF Port is an enterprise and public trust agency that manages approximately seven and a half miles of waterfront on the San Francisco Peninsula. He shared his presentation on what is preventing the expansion of shipyard capacity in the area and the near-term opportunities. He said that an industrial ship repair facility existed at Pier 68, known as the Pier 68 shipyard which occupies about ten acres of land, 17 acres of submerged land, and two large inoperable dry docks.

Mr. Moreno said that the SF Port is caretaker of the buildings and assets for Pier 68 after the request for proposal (RFP) looking for an operator of the facility failed and was currently pursuing a disposition strategy for the two dry docks to reduce SF Port liability but is committed and required to keep maritime related industrial activities at this facility. He said that he saw the facility as a potential opportunity for a maritime workforce development training center.

Chair Wunderman said that his dad had served in the Navy during World War II and served on a Liberty ship that was built in San Francisco. He thanked Mr. Moreno for the work he did for SF Port.

Mr. Murphy said that the topic was switching to workforce and introduced Working Waterfront Coalition (Coalition) Project Director Sal Vaca. Mr. Vaca explained that the Coalition is an industry-led partnership working with industry employers and labor that addresses career pathways of the maritime industry. He noted that the Coalition had secured over \$4 million of state funding to develop career pathways for marine trades and the water transportation portion.

Mr. Vaca said the hands-on training would include ship maintenance, ship repair, shipyard safety, shipping, marine painting, sustainability training component in partnership with the Port of Oakland and SF Port with an introduction to welding at California State University Maritime Academy (Cal Maritime). He said that employers would review and approve the curriculum for the ten-week program.

Mr. Vaca reminded the Board that the program was targeting disadvantaged communities. He said that the Coalition would reach out to the high schools and continue to adopt the high school career technical programs to develop pathways from classes to hands-on training making the instruction relevant and real. He said that the first cohort launched on September 9 with 20 students, with up to 30 students in subsequent classes. He added that each student would be assigned a counselor, coach, or case manager to help address any barrier that students may have to participate and succeed in the training program, ultimately connecting the individuals to a job once training is completed.

He noted that the individuals will have support for one year to keep the individuals connected to the industry.

The Directors thanked Mr. Vaca and Coalition President and CEO Bobby Winston for their work.

Mr. Murphy introduced the final presenter, Carpenters Training Trust Fund for Northern California (NorCal Carpenters) Director of Operations Matthew Rowlett to talk about the NorCal Carpenters work in the maritime industry. Mr. Rowlett said that the NorCal Carpenters represented eleven different crafts in Northern California offering apprenticeships at multiple training centers.

Mr. Rowlett stated that much of the training is coming from hands-on training and no-the-job training, noting that new members are not brought into the program until there is a need. He said that no training was available for shipwrights unless there was potential for that work with on-the-job training.

Mr. Murphy thanked all the presenters and hoped the information provided some helpful context.

In closing, Mr. Murphy recommended that SF Bay Ferry continue to work with the Coalition to support the work of the Coalition and to support the new proposed rule from the OMB about the FTA geographic preference language in procurements, expanding the maritime industry in the region, streamlining the permitting hurdles, and encouraging local municipalities to offer incentives to help offset the cost of doing business.

Mr. Murphy suggested having a discussion with the Governor's Office of Business and Economic Development (GO-Biz) about opportunities to pursue to encourage more work to happen in California. He stated that Go-Biz was going to be a part of the senior leadership seminar at Fleet Week.

Mr. Murphy concluded his comments and asked for comments from the Directors about the workshop.

Chair Wunderman said that it helped him understand where the opportunities could be, the challenges that existed, the places to turn for support, talked about a coalition building process, and offered to participate in continuing the discussion.

PUBLIC COMMENT

SF Resident and Artemis Technologies Member Jonathan Nichols, Navier Founder and CEO Sampriti Bhattacharyya, and Candela Chief Commercial Officer Nakul Virat spoke in support of building and collaborating with the shipyards to build the vessels in the Bay Area.

San Francisco Fleet Week Association Executive Director Lewis Loeven spoke about the national security issues of the maritime statecraft industry.

Ms. Dupree stated that new supply chains were needed to raise an industry.

Consultant Ellen Johnck stated that the permitting process was complicated and needed streamlining.

Director Dew stated that she submitted a proposal of the Working Waterfront Coalition to California Jobs First with the goal of creating jobs and opportunities for disadvantaged communities that are in climate resiliency industries.

The Directors said they learned a lot and thanked everyone that participated and for the work in planning and preparing the workshop.

10. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

With all business concluded, Chair Wunderman adjourned the meeting at 4:25 p.m.

- Board Secretary

END