Presentations for May 9, 2024 Board of Directors Meeting
Item 5a(ii): Pilot Service Committee
KEY ROLES OF PILOT SERVICE COMMITTEE

➢ Prioritize the types of projects and partnerships that WETA should pursue.

➢ Direct staff efforts through confirmation of proposed work program.

➢ Review statement of goals and objectives prior to pilot service launch.

➢ Review draft assessment upon pilot service completion.

➢ Ensure projects provide opportunity for crews to gain training and operating experience.

➢ Provide recommendations to the full WETA Board, as necessary.
PILOT SERVICE PROGRAM

Five-Year **Regional Measure 3** Operating Plan:

- Funds provided to leverage additional investment from potential public and private partners.

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilots</td>
<td>$2,737,741</td>
<td>$2,000,000</td>
<td>$4,500,000</td>
<td>$4,635,000</td>
<td>$4,774,050</td>
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2050 Service Vision **Pilot Service Program** (proposed):

- **Program Goals**
  - Implement limited term projects to supplement and/or inform project feasibility studies
  - Build partnerships
- **New Technology**
  - Test new vessel technologies and business operating models
- **Emerging Markets**
  - Partner with engaged and interested organizations to test emerging ferry markets
WORK PROGRAM

FY 2025
Key Goals
• Assess rider demand and estimate costs for long-term permanent service
• Optimize operations by iterating service plan

Vessel
• Woodstock vessel was purchased by project partner
• WETA staff designed and delivered vessel modifications to support service

Service Description
• 4-5 days/week, depending on season
• 9-12 hour/day, depending on season
• Duration: July 2024 – May 2026

Funding/Cost
• Estimated cost: $1.5 - $2 million annually
• Multiple partners provided public and private funding (City of Alameda, Alameda TMA, Jack London Square (CIM))
• WETA staff time provided on in-kind basis
**Key Goals**
- Build community support for future Redwood City ferry service
- Field test key operating assumptions

**Vessel**
- WETA vessels (349-445 pax) are available to support weekend service
- Use both jet and propeller vessels to test operational performance

**Service Description**
- Five Sunday game day trips, 1:05pm start times
- Both pre- and post-game service trips provided
- Port of Redwood City to provide landing facility and parking spaces

**Funding/Cost**
- Estimated cost: $45,000
- Fares same as VJO special events, expected to cover costs
- Tickets reserved through Anchor ticketing system
- Port of Redwood City to provide ticket scholarship program

<table>
<thead>
<tr>
<th>Date</th>
<th>Opponent</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 14th</td>
<td>Twins</td>
</tr>
<tr>
<td>July 28th</td>
<td>Rockies</td>
</tr>
<tr>
<td>August 11th</td>
<td>Tigers</td>
</tr>
<tr>
<td>Sept 1st</td>
<td>Marlins</td>
</tr>
<tr>
<td>Sept 15th</td>
<td>Padres</td>
</tr>
</tbody>
</table>
Goals
• Understand the challenges and opportunities associated with operating a hydrogen-powered vessel
• Provide crews with onboard electric systems training in anticipation of WETA-owned battery electric vessel arrival
• Incentivize the development of green hydrogen production and availability

Vessel
• Sea Change – First H2 passenger-only ferry

Service Concept
• Six months of daily service on Pier 41 Short Hop, special events

Cost/Funding
• $2m total project cost
• $1.5m raised through private sector sponsorships
• WETA staff time provided on in-kind basis
FUTURE PROJECTS

➢ Ferry Building to Pier 48.5
  • Create segment of broader SF Waterfront Service
  • Partner with local employers to build market demand
  • Seek proposals from private operators to provide vessel

➢ Contra Costa County Pilot Service
  • Leverage work from CCTA Ferry Expansion Study
  • Explore connection from new terminal to Richmond
  • Assess market demand for permanent service

➢ Vallejo
  • Test new vessel technologies that reduce SF travel time
  • Enhanced local water shuttle service to Mare Island
  • New transbay connections (ie. Larkspur, Oakland) serving commuter and/or recreational riders

➢ Larkspur
  • New transbay connections (ie. VJO or Oakland)
  • Mutual aid program with Golden Gate Ferry
Item 7: Redwood City Ballpark Service Pilot
BACKGROUND

• Pilot Service Committee established principles for considering new pilot services

• Agency has worked to study ferry feasibility in Redwood City for several years in collaboration with the Port of RWC

• Redwood City service is included in the 2050 Service Vision

• Mutual interest in testing RWC ferry service using SF Bay Ferry vessels and crews

• Focusing on special service limited to certain weekends avoids major operational constraints
PLAN

• Offer five round trips for weekend afternoon Giants games at Oracle Park

• Expected travel times similar to Vallejo ballpark service (~60 minutes each way)

• Port of RWC to make minor upgrades to F-Dock, the most suitable berthing location

• SF Bay Ferry to sell reservation-based tickets using Anchor system, set at Vallejo ballpark fares

• Port of RWC to work with sponsors and City to potentially offset some costs and lower fares or provide some free/low-cost tickets
PLAN

• Pilot service is intended to be cost-neutral

• Roughly $45,000 included in draft FY25 budget for operational costs, including fit-ups and marketing

• Estimated to recover those costs based on proposed ticket price and expected high demand

• Timing of pilot dates will avoid dock conflicts at Oracle Park (Ballpark Short Hop will be running)

• Vessel selection will help inform future service assumptions
RECOMMENDATION

- Berthing agreement with Port of RWC
- Fit-ups and transit time test (mid-May)
- Dock improvements (May/June)
- Additional fit-ups (June if needed)
- Ticket sales (May/June)
- Marketing (June)
- Proposed first game: Sunday, July 14 vs. Twins
THANK YOU
Item 13: Proposed FY25 Budget
BUDGET ACTIONS

May meeting
  • Presentation and Review of Draft

June meeting: Approval of Fiscal Year 2024/25 Budget
  • Includes required resolutions
  • Authorizations for funding agencies
OVERVIEW

Expense Authorization: $157.6 million

<table>
<thead>
<tr>
<th>FY 2024/25 Proposed Budget (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget Expenditures</td>
</tr>
<tr>
<td>Ferry Service (Ongoing)</td>
</tr>
<tr>
<td>Demonstration Services</td>
</tr>
<tr>
<td>Planning and Administration</td>
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<tr>
<td>Capital Projects</td>
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<tr>
<td>Total Budget Expense</td>
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</tbody>
</table>
OVERVIEW

Sources: $157.6 million

- Federal funding = Capital Only
- Bridge Tolls = Higher Level of Support thanks to RM3
- Fare Revenue = Growth anticipated will build reserves

<table>
<thead>
<tr>
<th>FY 2024/25 Revenues (in millions)</th>
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<tbody>
<tr>
<td>Bridge Tolls</td>
</tr>
<tr>
<td>Federal Funds</td>
</tr>
<tr>
<td>State Funds</td>
</tr>
<tr>
<td>Local Funds</td>
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<tr>
<td>Passenger Fares</td>
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<tr>
<td>Other Funds</td>
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<tr>
<td>Total Budget Revenue</td>
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</tbody>
</table>
OVERVIEW

• No significant service changes in regular service; additional special event service to Redwood City
• Anticipated pilots: Hydrogen SeaChange and Oakland Alameda Shuttle
• Initiatives including
  • Electrification Capital Program Growth
  • Increased State of Good Repair program
  • Pilot service program growth and management
  • Passenger Initiatives and Marketing
  • New Staffing and Financial Reserves
OVERVIEW

Also ...

• Ridership growth: Anticipated 12% over current budget

• Ridership recovery is anticipated to be 80% of 2019 levels, up from 71% projected in FY 2023/24

• First budget since the pandemic without federal operating funds; no fiscal crises thanks to RM3
OPERATIONS BUDGET

$75 Million Proposed

• $69 million Ferry Service

• $5.5 million Planning & Administration

• 88% for ongoing service routes
OPERATIONS BUDGET: FERRY SERVICES

Proposed Expense: $69 million

• Excludes planning and administration
• $65.7 million for six current service routes
• $3.5 million for pilot/demonstrations
  ○ Sea Change Hydrogen
  ○ Oakland Alameda Shuttle
• Increase of 6% over prior year for ongoing routes
OPERATIONS BUDGET: FERRY SERVICES

Revenue Sources: $69 million

- Federal support replaced by RM3 support: Bridge Tolls $44 million
- Fare revenue anticipated to be $14.1 million (11% over prior year)
  - 60% transferred into reserves ($8.4 million)
- State Transit Assistance will provide more support
OPERATIONS BUDGET: FERRY SERVICES

Labor and Fuel: $35 million (regular routes)

- Combined comprises over 50% of service budget
- Fuel cost relatively stable at $4.20/gallon (no further increases)
- Labor contracts resulted in 6% increase ($1 million) for salaries plus benefits pickups
- Consistent staffing plans from prior year
OPERATIONS BUDGET: FERRY SERVICES

Vessel Maintenance and Repair: $8.8 million

• $2.7 million increase over prior year (22%)
• $1 million reclassification of costs from facility category
• Ongoing maintenance for more vessels in service – Delphinus
• Investments in gear modifications for Pyxis class, more spare parts and emissions improvements
OPERATIONS BUDGET: FERRY SERVICES

Facilities Expense: $11 million

- Includes cost of terminals as well as two maintenance facilities
- Small 2% increase due to reclassification of $1 million costs to vessel category
- Labor increases for engineering and fuelers
- Also includes anticipated increases in property insurance, utilities, IT and other facility expenses
OPERATIONS BUDGET: FERRY SERVICES

System Expenses: $10.6 million

• Slight 1% decrease from prior year due to elimination of overhead transfers from administration

• Includes contractor administration & profit; marketing and communication, Agency staff, emergency response, Clipper and mobile ticketing, and general engineering
OPERATIONS BUDGET: FERRY SERVICES

Systemwide investments include:

• Launch of new SF Bay Ferry website
• Continued investment in ridership outreach, events, communication efforts
• Kickoff of RFP process related to operating contract renewal by 2026
• Clipper 2.0 = Increased expense prior to customer access in FY25
• Emergency Response work plan increased under new staff
**STAFFING PLAN**

- Board approval of organization plan and staff expansion in March; Reflected in Salary Chart
- Budget includes 9 new approved positions
- Costs are distributed among divisions
- Capital budget includes project for space needs at Mare Island & Pier 9 to accommodate new staff

<table>
<thead>
<tr>
<th>Summary of Staff Expense</th>
<th>Salaries</th>
<th>Benefits</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>($ in millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning and Administration</td>
<td>1.79</td>
<td>1.20</td>
<td>2.99</td>
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<tr>
<td>Operations</td>
<td>1.69</td>
<td>1.13</td>
<td>2.82</td>
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<tr>
<td>Capital Projects</td>
<td>1.30</td>
<td>0.87</td>
<td>2.17</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4.78</strong></td>
<td><strong>3.19</strong></td>
<td><strong>7.98</strong></td>
</tr>
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</table>
PLANNING AND ADMINISTRATION

Proposed Expense: $5.5 million

• Elimination of $1.1 million overhead transfers
• Increase over prior year expense 9%
• Additional staff approved by Board
• Current proposed 2.4% COLA tied to CPI
• Increased DBE, Sustainability, and Green Marine Efforts
• IT upgrades including ridership database, financial system
PLANNING AND ADMINISTRATION: WORK PLAN

Budget highlights more than 15 initiatives and areas of focus:

- Pilot project management
- Stepped up emergency response planning
- Passenger experience initiatives
- Business plan and Terminal Access plan
- Workforce development.....and beyond
CAPITAL PROJECTS

- $83 million in FY25
- $275 million funded total capital program included
# Capital Projects

## Funding for FY25:

<table>
<thead>
<tr>
<th>Capital Revenues</th>
<th>Total (in Millions)</th>
<th>% of Total</th>
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</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>$43.7</td>
<td>53%</td>
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<tr>
<td>State Funds</td>
<td>$23.2</td>
<td>28%</td>
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<tr>
<td>Bridge Tolls</td>
<td>$15.2</td>
<td>18%</td>
</tr>
<tr>
<td>Local Dedicated/Other</td>
<td>$0.7</td>
<td>0.9%</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$82.9</strong></td>
<td></td>
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</table>
COSTAL PROJECES

Proposed spending of $82 million

- 18 ongoing projects
- 10 additional projects
- $36.7 million related to Vessels, including new electric vessels
- $19.6 million for electrification of facilities/terminals
- $25.5 million investment in state of good repair projects
## RESERVES

Budget Implements Approved Policy

- Transfer of Fare Revenue to Reserve Account: $8.4 million
- Added to $9.5 million current balance results in internal Operating & Capital reserve of $17.9 million

<table>
<thead>
<tr>
<th>Proposal</th>
<th>INTERNAL ACCOUNTS</th>
<th>EXTERNAL ACCOUNTS</th>
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<tbody>
<tr>
<td><strong>OPERATING AND CAPITAL RESERVE</strong></td>
<td></td>
<td><strong>STA/RM3 BALANCE</strong></td>
</tr>
<tr>
<td>Amount</td>
<td>Location</td>
<td>Amount</td>
</tr>
<tr>
<td>$17.9 million</td>
<td>WETA LAIF</td>
<td>$4.5 million*</td>
</tr>
<tr>
<td><strong>$11.9 million Operating</strong></td>
<td></td>
<td><strong>$60 million</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>+$6 million Capital</strong></td>
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THANK YOU