

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

*[March 2, 2023]*

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at Hanson Bridgett LLP, 425 Market Street 26<sup>th</sup> Floor, San Francisco and via videoconference.

**1. CALL TO ORDER**

Chair James Wunderman called the meeting to order at 1:05 p.m.

**2. ROLL CALL**

Chair James Wunderman, Vice Chair Monique Moyer, Director Jessica Alba, Director Jeffrey DelBono, and Director Pippin Dew were in attendance. Director Dew stated that she was participating remotely via videoconference because a contagious illness prevented her from attending the meeting in person.

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 welcomed back new City of Alameda City Manager Jennifer Ott and invited her to say a few words. He said that he looked forward to working with her.

Chair Wunderman thanked Vice Chair Moyer for stepping in for him at the February Board meeting in his absence.

Chair Wunderman said reaching finality on Regional Measure 3 (RM3) was a great reason for celebration. He stated that though RM3 may not solve all future problems, it allows WETA to control its own destiny unlike other Bay Area transit agencies who are struggling to understand their fiscal futures. He said that if WETA could demonstrate fiscal responsibility that it would help mass transit get through this challenging period.

**4. REPORTS OF DIRECTORS**

Vice Chair Moyer welcomed back Chair Wunderman and thanked him for his leadership on RM3.

Director DelBono said that RM3 gives WETA an advantage for building a future and having a sustainable ferry service.

Chair Wunderman reported that the Bay Area Council conducted an economic report with the support and involvement of CBRE that showed that San Francisco lags behind in economic recovery which included 25 metros using 15 metrics, noting that Austin was number one on several relevant factors.

Director Dew reported that Forbes last month ranked Vallejo number six as the best place to live in California and mentioned the ferry service as one of the factors contributing to its ranking.

**5. ADOPT A RESOLUTION RECOGNIZING THE 2023 SAN FRANCISCO BAY FERRY CREW OF THE YEAR**

Chair Wunderman stated that the recognition of crew would be postponed to next month when crew could be in attendance in person.

**6. REPORTS OF STAFF**

Executive Director Seamus Murphy said that RM3 would give WETA the opportunity to present other metrics that can be utilized to measure performance of RM3 investments other than farebox recovery alone. He stated that WETA needed an agreement including a five-year plan with the Metropolitan Transportation Commission (MTC) to access the RM3 funds. He added that ridership, equity, and farebox recovery are some of the measures to be taken into consideration. Mr. Murphy said understanding the needs for Fiscal Year 2023/24 is a big concern.

Mr. Murphy introduced Government and Regulatory Affairs Specialist Terence Candell to provide an update on WETA's Disadvantaged Business Enterprise (DBE) workshop. Mr. Candell reported that WETA hosted a two-hour workshop aimed at breaking down barriers to DBE participation in the marine industry. Participants included shipyards, bonding and insurance experts, DBE firms, and the Federal Transit Administration. WETA Attorney Katherine Tsou from Hanson Bridgett LLP provided information on Buy America requirements.

The Directors thanked Mr. Candell for his presentation and offered their support to encourage DBE participation.

Vice Chair Moyer added that the City of San Francisco offered a surety bond program to help with insurance requirements and thought that a similar program was offered at the federal level.

Government and Regulatory Affairs Manager Lauren Gularte said that WETA participates in the Business Outreach Committee which hosts a DBE certification workshop to assist in completing the forms to become DBE certified.

Director Alba suggested adding the additional requirements specific to the maritime industry in the general land-based workflow charts and offered other ideas to support smaller companies in going through the DBE process.

Chair Wunderman commended the work and proposed further discussion at a future meeting.

Planning and Development Manager Kevin Connolly shared his presentation on ridership and stated that one of the benefits of the Pandemic Recovery Plan is that WETA revisits the ferry schedule and service plan quarterly and adjusts it according to the market, noting a schedule change in April.

Mr. Connolly credited Transportation Planner Arthi Krubanandh and Principal Planner Michael Gougherty for analyzing data gathered from new software to gain efficiencies resulting in savings that were reinvested into additional service.

In response to Chair Wunderman's inquiry, Mr. Connelly clarified that the recent comparison reflecting an increase in ridership on Bay Area Rapid Transit (BART) was during the holiday period the previous month.

In response to Director DelBono, Public Information and Marketing Manager Thomas Hall stated that notification about the additional service would be posted on WETA's website, sent to the email subscription list, displayed onboard vessels, published in the March newsletter, advertised on social media, and sent to homeowner's associations and the Chamber of Commerce.

Vice Chair Moyer expressed her appreciation to all WETA's team members for their creativity and flexibility of maximizing assets.

In response to Vice Chair Moyer's comment, Chief Financial Officer Erin McGrath explained that fare revenue is a month behind ridership adding that fare revenue was higher than anticipated at the beginning of the year but lower than budgeted.

Chair Wunderman commented that he liked the idea of an extended, relaxing ferry ride on the way home.

Mr. Murphy provided five written reports and offered to answer questions.

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

## **7. CONSENT CALENDAR**

Director Alba made a motion to approve the consent calendar:

- a. Approve Board Meeting Minutes – February 2, 2023
- b. Designate Authorized Agents to Apply for Federal or State Disaster Assistance Funds
- c. Authorize Release of Request for Proposals for Surveying and Market Research Services

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

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

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

## **8. APPROVE CONTRACT AWARD TO MAZE & ASSOCIATES FOR INDEPENDENT YEAR-END AUDITING SERVICES**

Chief Financial Officer Erin McGrath presented this item recommending approving contract award to Maze & Associates for independent year-end auditing services in an amount not to exceed \$75,100 for a three-year term and included two one-year options to be exercised at WETA's discretion with additional Board approval.

Ms. McGrath said that the procurement was posted on WETA's Bonfire public procurement portal that included 66 registered Certified Public Accountant (CPA) emails and was surprised when the current WETA auditor, Maze & Associates was the only firm to submit a proposal.

Ms. McGrath commented that difficulty in recruiting and retaining staff and overall rising costs have forced firms to be more selective in responding to procurements.

Vice Chair Moyer said that she was pleased with the approach taken and that Maze & Associates was willing to continue the partnership at a fair price.

Vice Chair Moyer made a motion to adopt Resolution No. 2023-09 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, DelBono, Dew, Moyer, Wunderman. Nays: None. Absent: None.

**9. AUTHORIZE RELEASE OF PROPOSED FISCAL YEAR 2024-28 FARE PROGRAM FOR PUBLIC COMMENT**

Ms. Krubanandh presented this item recommending authorizing the Executive Director to release the proposed Fiscal Year (FY) 2024-28 Fare Program for public comment.

Ms. Krubanandh said that the proposed new fare policy is consistent with the Pandemic Recovery Program core principles and will guide current and future fare decisions including the proposed FY 2024-28 Fare Program. She noted that the proposed fare program was designed to keep parity with other regional operators, keep the pace of inflation, provide predictability for riders for both regular service and special events, and continue with WETA's goal of achieving full cost recovery for special events while offering the Board the flexibility to cancel or modify the program at any point.

Ms. Krubanandh shared her presentation summarizing the FY 2024-28 Fare Program. She said that changes may be made based upon feedback received prior to Board approval. She explained that the 3 percent annual fare increase was based on the modeling work of other transit agencies, the historical cost price index, and in line with WETA's past fare program.

Chair Wunderman expressed his concern that inflation appeared to be more than 3 percent. In response to Chair Wunderman, Ms. Krubanandh clarified that BART is projecting an increase of 3.4 to 4 percent based on discussions with BART staff and BART's financial model.

Chair Wunderman asked about a rewards program to incentivize people to go to work. Mr. Gougherty reminded the Board that a monthly Vallejo pass was phased out in 2013 prioritizing Clipper as the fare media payment. He clarified that the current Clipper system offers limited fare products and is unable to accommodate passes, progressive discounts, or other innovative fare products, but that new fare products would be considered with some of the technology offered through Clipper 2 (C2).

In response to Director DelBono, Ms. McGrath said that the 3 percent increase would result in approximately \$300 thousand from \$11 million fare revenue.

Director DelBono suggested forgoing the 3 percent increase the first year for regular service.

Mr. Murphy clarified that the item was approving release of the FY 2024-28 Fare Program for public comment. He noted that WETA had received positive attention from its Pandemic Recovery Program with the bulk of the attention from Seamless Bay Area whose principles WETA had adopted. He added that aligning WETA fares with other transit agencies in the same corridor was deliberately based on those principles.

Director Alba expressed her support for the 3 percent annual increase noting that fares had not been raised in 2 years and was reasonable, fair, and in line with other agencies.

Vice Chair Moyer said she was interested in the premium associated with paper tickets and felt it was a potential disincentive to new riders. Ms. Krubanandh stated that there were higher costs for handling cash fares and promoting Clipper and mobile fares offered a more efficient boarding process allowing for a better customer experience.

The Directors thanked staff for the presentation and said that they looked forward to the feedback received from the outreach process and the status of the ClipperBayPass and ClipperSTART pilot programs.

**PUBLIC COMMENT**

Port of Redwood City Vice Chair Lorianna Kastrop spoke in support of transit integration and new fare products.

Director DelBono made a motion to approve this item.

Vice Chair Moyer seconded the motion, and the item passed unanimously.

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

#### **10. AUTHORIZE RELEASE OF REQUEST FOR PROPOSALS FOR EMERGENCY RESPONSE AND PILOT PROGRAM FERRY SERVICES**

Mr. Connolly presented this item recommending authorizing the Executive Director to release a Request for Proposal (RFP) for emergency response and pilot program ferry services on an on-call task order basis for a five-year term.

Mr. Connolly explained that establishing a panel of on-call operators would allow WETA to:

1. quickly identify operators with the vessels and resources necessary to supplement the WETA fleet particularly during an emergency, when conditions may require WETA to quickly identify and secure vessels outside of the WETA fleet to provide sufficient response.
2. advance the operation of temporary pilot services to measure ridership demand and inform potential permanent additions to the WETA network.

Mr. Connolly said that the original list which would remain active for the duration of the five years and that any awards from a second RFP would match the original term expiration and supplement the original list with additional qualified operators in response to Chair Wunderman.

Mr. Connolly further clarified that Board approval would be required to award a task order for temporary pilot services but that the Executive Director would have the authority to exercise emergency powers without additional Board approval.

Director DelBono expressed his concern about the quality of service and employee compensation with potential operators.

WETA Attorney Steven Miller of Hanson Bridgett LLP clarified that the action being requested now was just to issue an RFP and that the Directors would be asked to approve contracts to all the firms on the list at a future meeting but that no task order would be issued unless the Board established a pilot program. He added that the creation and approval of a pilot program would be the Board's opportunity to decide all the issues of the pilot program prior to engaging services.

Vice Chair Moyer supported a quarterly business review that would require the operator to be in good standing to continue providing services be put into the contract.

Mr. Miller reminded the Board that the Board approved authorizing the Executive Director to issue landing right permits to operators who agreed to comply with WETA's landing rights policies, noting that WETA had the right to terminate the permit.

Mr. Miller said the operators on the list would be under an umbrella agreement where task orders would be issued for particular projects subject to the conditions as determined by the Board.

#### **PUBLIC COMMENT**

Inlandboatmen's Union Regional Director Robert Estrada supported the emergency side and reiterated labor's interest in the pilot program.

Director Alba made a motion to approve this item.

Chair Wunderman seconded the motion, and the item passed unanimously.

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

### **11. BUSINESS PLAN FOCUS AREA #2 – EMERGENCY RESPONSE**

Mr. Gougherty introduced this informational item on the WETA 2050 Service Vision & Business Plan. He shared the team presentation that included the network expansion concept summary, the four scenarios, and public outreach. He reminded the Board that WETA was soliciting feedback for direction in developing potential ideas to be included in the plan.

Transportation Planner Gabriel Chan provided an overview on the topics for the emergency response focus area including WETA's jurisdiction, resources, and funding. He highlighted recent and upcoming Emergency Operations Center (EOC) exercises and four approaches to emergency response. He concluded his presentation with questions for consideration.

Chair Wunderman thanked Mr. Chan for his presentation and said that he was involved in the original discussion that created WETA with the emergency response capability and responsibility at its core.

Director DelBono supported the current approach to emergency response in which transit facilities are actively used and suggested WETA work with and look to California Governor's Office of Emergency Services (Cal OES) for funding and support.

Vice Chair Moyer remarked that anything built should be dual purpose and built to essential facility standards.

Director Alba and Director Dew spoke in support of the hybrid approach allowing for greater flexibility with a combination of projects.

Chair Wunderman said that WETA needed to make a case and charge its lobbyists to come up with strategies which would enable WETA to fulfill its mandate.

### **12. PUBLIC COMMENTS FOR NON-AGENDA ITEMS**

No further public comments were shared.

With all business concluded, Chair Wunderman adjourned the meeting at 3:35 p.m.

- Board Secretary

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