

Members of the Board

James Wunderman, Chair
Monique Moyer, Vice Chair
Jessica Alba
Jeffrey DelBono
Pippin Dew

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

Thursday, January 12, 2023 at 1:00 p.m.

**Port of San Francisco
Pier 1
San Francisco, CA**

Face masks strongly recommended for in-person participation.
and

Videoconference

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AGENDA

1. CALL TO ORDER
2. ROLL CALL/PLEDGE OF ALLEGIANCE
3. REPORT OF BOARD CHAIR **Information**
 - a. Chair's Verbal Report
 - b. Swearing in of Pippin Dew
4. REPORTS OF DIRECTORS **Information**

Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report to be made at another meeting.
5. REPORTS OF STAFF **Information**
 - a. Executive Director's Report on Agency Projects, Activities and Services
 - i. Weather Service Impacts
 - ii. Federal Diesel Particulate Filter Earmark (DPF)
 - iii. State Operating Assistance
 - iv. 2022 Ridership Summary
 - v. Business Plan Update
 - b. Monthly Review of Financial Statements
 - c. Federal Legislative Update
 - d. State Legislative Update
 - e. Monthly Ridership and Recovery Report
6. CONSENT CALENDAR **Action**
 - a. Adopt Resolution Regarding Remote Meetings Pursuant to Assembly Bill 361
 - b. Board Meeting Minutes – December 8, 2022
7. APPROVE WETA'S 2023 LEGISLATIVE PROGRAM **Action**

**Water Emergency Transportation Authority
January 12, 2023 Meeting of the Board of Directors**

8. ADOPT FINAL WETA FY2024–2028 SHORT RANGE TRANSIT PLAN

Action

9. FISCAL YEAR 2024 FARE PROGRAM

Information

10. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

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 AB 361, codified in Government Code Section 54953, this meeting will be conducted through an internet-based service option. The public is invited to participate via the link provided at the top of this agenda.

PUBLIC COMMENTS WETA welcomes comments from the public.

If you know in advance that you would like to make a public comment during the videoconference, 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. Comments will also be accepted in real time. During the public comment period, speakers will be allotted no more than 3 minutes to speak and will be heard in the order of sign-up. Said time frames may be extended only upon approval of the Board of Directors.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item.

Non-Agenda Items: A 15-minute period of public comment for non-agenda items will be held at the end of the meeting. Please indicate on your speaker card that you wish to speak on a non-agenda item. No action can be taken on any matter raised during the public comment period.

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 5 days prior to the meeting and we will work to accommodate access to the meeting.

AGENDA ITEM 1
CALL TO ORDER

AGENDA ITEM 2
ROLL CALL

AGENDA ITEM 3
REPORT OF BOARD CHAIR

AGENDA ITEM 4
REPORTS OF DIRECTORS

NO MATERIALS

TO: WETA Board Members

FROM: Seamus Murphy, Executive Director

DATE: January 12, 2023

RE: Executive Director's Report

Weather-related Service Impacts

The San Francisco Bay Area is currently experiencing a powerful winter storm that has affected WETA's service. Strong winds above 25 mph out of the south over the last week has caused unsafe conditions specifically at the Harbor Bay and South San Francisco ferry terminals. Both terminals are exposed to high wind and wave events and have limited protection to severe weather. To provide as much notice to our passengers, staff proactively canceled service on January 4, 2023, at both locations. During the most severe weather, some smaller vessels were unable to safely land at the Downtown San Francisco Ferry Terminal. Golden Gate Ferry experiences similar service disruptions. Staff will continue to monitor weather trends and communicate with our crews to ensure that the safety of both our staff and passengers is a priority.

Transit and Intercity Rail Capital Program (TIRCP) Activities

In April 2020 WETA received a \$9 million grant for an electric vessel and related infrastructure for zero-emission service to a new Mission Bay Ferry Terminal. Execution of the grant was delayed due to pending RM3 litigation and pandemic-related impacts on funding. WETA consulted with California State Transportation Agency staff and was able to restructure the program as part of a new application in March of 2022 that requested additional funding for another electric ferry and additional electric infrastructure. WETA's \$14.9 million application received a perfect score allowing program implementation and grant execution to finally begin. WETA's first allocation request will be heard by the California Transportation Commission at its meetings scheduled for January 26-28th. Following that allocation, a supplemental agreement with the State will be executed for the \$23.96 million in TIRCP funding that has been awarded to date.

WETA is preparing another TIRCP application to increase electric power capacity for service between Downtown San Francisco and Alameda. Applications are due February 10 and awards are anticipated to be announced by April 24, 2023.

California Air Resources Board's Amendments to the Commercial Harbor Craft Regulations

The California Air Resources Board's (CARB) Commercial Harbor Craft (CHC) Regulations became effective on January 1, 2023. Now that the rule is effective, staff is working with CARB staff to submit an Alternative Control of Emissions (ACE) plan detailing how WETA will comply with these regulations. An update will be provided to the Board in the coming months.

Federal 2023 Omnibus Funding

On Thursday December 29, President Biden signed the \$1.7 trillion federal spending bill which included \$1.5 million dollars to install diesel particulate filters (DPFs) on two of WETA's vessels currently under construction. Installation of DPFs will reduce emissions on these two new vessels by 85% and will ensure that the last two vessels of the Dorado class are fully compliant with the CARB CHC regulations noted above. WETA received this funding thanks to the work of Congressman Garamendi, who submitted the request, with support from Speaker Pelosi, Senators Feinstein and Padilla, and Assemblymember Wicks.

State Operating Assistance

As California's most fare-dependent transit agencies move closer to exhausting federal COVID relief funding, WETA is working with regional and statewide coalitions of transit agencies and advocacy organizations to support the inclusion of operating assistance in California's FY 2024 budget. WETA is represented on an MTC-organized committee responsible for coordinating the Bay Area's advocacy efforts with the rest of the State. WETA is also represented on a committee organized by the California Transit Association to lead the statewide effort. This work is currently focused on quantifying the problem, aligning stakeholders, building awareness among policy makers, and evaluating solutions.

2022 Ridership Summary

WETA's ridership in 2022 was significantly higher than 2021 and outpaced other transit operators thanks to the extension of the Pandemic Recovery Program. Peak period service has been gradually increasing but has seen some decline recently. Weekend and special service has continued to perform exceptionally well, sometimes exceeding pre-pandemic levels. Additional details about 2022 ridership trends and expectations for 2023 will be presented to the Board at its January meeting.

2050 WETA Service Vision and Business Plan

This effort will create a long-term plan for the expansion of regional ferry service and emergency water transportation response capabilities on San Francisco Bay. The plan will include definition of a 2050 service vision and corresponding business plan that will inform WETA planning, budget, and operational decisions as it is phased in over time. The business plan has been under development throughout calendar year 2022 with public and stakeholder outreach helping to shape the analysis and service vision. The Business Plan is anticipated to be finalized in the second half of calendar year 2023.

January 2023 Update: Staff is preparing a new round of public and stakeholder outreach to take place in January and February. A centerpiece of the outreach – analysis of future service and economic scenario's – is currently being finalized by the business plan consultant team. The Business Plan Board Subcommittee will be reviewing material prior to the next round of outreach. Staff will also provide a verbal update of Business Plan activities at the January board meeting.

Redwood City Ferry Terminal Project

Working with partners at the City and Port of Redwood City, WETA recently completed studies of the feasibility and business case of developing a new ferry terminal at the Port of Redwood City. The proposed new terminal would be located on the eastern end of the Port of Redwood City property. The proposed service vision for the terminal would include service between Redwood City and San Francisco and Oakland. The initial feasibility studies along with future design and permitting activities are funded through San Mateo County Transportation Sales Tax revenues.

January 2023 Update: The Port of Redwood City has released a Request for Proposals to perform environmental analysis and permitting services for the proposed project. Permitting work is expected to begin in spring 2023 and conclude by spring 2024.

Berkeley Pier/Ferry Project

WETA partnered with the City of Berkeley to complete both a feasibility study and business case analysis for a joint project that provides for a recreation pier and a WETA ferry terminal at the Berkeley Marina. The project would be located at the site of the closed Berkeley recreational pier and would be an all-electric ferry service operating between Berkeley, San Francisco, and Larkspur.

January 2023 Update: In December 2022, the Berkeley City Council authorized City staff to execute a grant agreement with the California Coastal Conservancy for up to \$2.961 million for design and permitting activities for the Berkeley pier/ferry project. Work on the environmental review phase is expected to begin in spring 2023.

WETA 2023 Five-year Fare Program

The temporary Pandemic Recovery Fare Program currently in place throughout the WETA system will expire on June 30, 2023. Staff is currently developing a new five-year proposed program that will encompass regular service as well as special events. The Board, WETA riders, and the public will consider a new fare program this winter and spring.

January 2023 Update: Staff will be presenting the draft fare program principles at the January WETA Board meeting. Staff anticipates developing a fare program proposal for consideration by the WETA Board and the public by March 2023.

Vallejo Terminal Reconfiguration

The Vallejo Ferry Terminal has experienced an increase in the need for maintenance dredging, increasing operating costs and disrupting passenger service. As a result, staff has conducted exploratory studies to redesign the terminal, relocating the float to a less-impacted area of the Napa River. With a concept design featuring two configurations, the project now is navigating its way through environmental analysis and permitting.

January 2023 Update: WETA staff will be presenting the Vallejo Reconfiguration concept to the Vallejo City Council in January.

END

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Erin McGrath, Chief Financial Officer

SUBJECT: Review of FY 2022-23 Financial Statements Ending November 30, 2022

Recommendation

There is no recommendation associated with this informational item.

Financial Statements Summary

This report provides a summary of financial activity through November 30 against the Fiscal Year 2022-23 approved budget. Revenue and expense to date for operations is \$23.7 million which is within anticipated amounts at this point in the year. The summary table below shows the high level comparison, with 42% of the fiscal year completed.

Operating Budget vs. Actual	Year - To - Date		Annual	
	FY2021-22 Actual	FY2022-23 Actual	FY2022-23 Approved Budget	% of FY 2022-23 Budget
	Prior YTD	Current YTD		
Revenue:				
Fare Revenue	\$3,268,773	\$4,831,358	\$ 11,228,927	43%
Federal - COVID-19 Relief Funds	7,317,515	11,136,024	27,223,251	41%
Bridge Toll Revenues	6,520,603	5,946,830	18,250,000	33%
Contra Costa Measure J	1,390,599	1,543,511	3,709,330	42%
Other Revenue	31,648	197,006	1,300,000	15%
Total Operating Revenues	\$18,529,138	\$23,654,729	\$ 61,711,508	38%
Expense:				
Ferry Services	\$17,632,292	\$ 22,262,886	\$58,311,508	39%
Planning & Administration	896,846	1,391,843	3,400,000	41%
Total Operations Expenses	\$18,529,138	23,654,729	\$61,711,508	38%
System-Wide Farebox Recovery %	19%	22%		

Capital Budget expenses, as shown below, are \$7.2 million for the year with significant payments this month for the Bay Breeze/Solano replacement vessel project. A financial summary is shown below.

Capital Budget vs. Actual	FY2022-23 Actual Current YTD	FY2022-23 Approved Budget	% of FY 2022-23 Budget
Revenue:			
Federal Funds	\$3,269,706	\$25,171,292	13%
State Funds	3,240,231	10,379,421	31%
Bridge Toll Revenues	592,818	7,142,670	8%
Other Revenues	149,028	4,091,525	4%
Total Capital Revenues	\$7,251,783	\$46,784,908	16%
Expense:			
Total Capital Expenses	\$7,251,783	\$46,784,908	16%

The financial reports attached show the more detailed operating, administrative, and capital activity for the month of November, year-to-date amounts against budget for the fiscal year, and historical comparisons of operating expense against the prior year.

Investment Report

In order to comply with Government Code § 53607, this report contains the monthly balances held in both the Local Agency Investment Fund (LAIF) and our commercial bank. The total balance in these two institutions is \$27,722,385.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

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San Francisco Bay Area Water Emergency Transportation Authority
FY 2022-23 Operating & Administration Revenue and Expense
Through the Month Ending 11/30/2022

% of Year Elapsed 42%

	Month Nov-22 Actual	Year - To - Date		Total FY2022-23 Budget	Total Budget
		FY2021-22 Actual	FY2022-23 Actual		
OPERATING EXPENSE					
<u>FERRY OPERATIONS:</u>					
Harbor Bay Ferry Service (AHBF)					
Vessel Crew Labor	\$114,269	\$660,996	\$635,530	\$1,551,680	41%
Vessel Fuel	90,613	\$309,486	539,223	1,087,800	50%
Vessel Operations & Maintenance	25,040	\$145,974	155,580	542,008	29%
Facility Operations & Maintenance	44,981	\$211,355	262,540	793,813	33%
System Expense	52,695	\$266,342	296,136	779,790	38%
Total Harbor Bay	\$327,598	\$1,594,153	\$1,889,008	\$4,755,091	40%
Farebox Recovery - AHBF	18%	9%	17%	11%	
Alameda/Oakland Ferry Service (AOFS)					
Vessel Crew Labor	\$317,414	\$1,630,457	\$1,747,030	\$4,999,858	35%
Vessel Fuel	258,895	\$976,761	1,388,247	2,797,200	50%
Vessel Operations & Maintenance	57,784	\$294,925	418,695	1,185,911	35%
Facility Operations & Maintenance	132,596	\$630,284	740,164	2,329,236	32%
System Expense	151,985	\$724,373	855,792	2,798,211	31%
Total Alameda/Oakland	\$918,674	\$4,256,800	\$5,149,928	\$14,110,416	36%
Farebox Recovery - AOFS	22%	23%	25%	23%	
Vallejo Ferry Service (Vallejo)					
Vessel Crew Labor	\$355,503	\$1,822,377	\$1,990,707	\$4,482,632	44%
Vessel Fuel	582,515	\$2,346,374	3,171,673	\$7,303,800	43%
Vessel Operations & Maintenance	69,664	\$383,714	486,503	\$1,506,018	32%
Facility Operations & Maintenance	298,371	\$1,583,010	1,498,760	3,373,394	44%
System Expense	171,292	\$792,487	949,457	2,872,318	33%
Total Vallejo	\$1,477,345	\$6,927,963	\$8,097,100	\$19,538,162	41%
Farebox Recovery - Vallejo	25%	24%	28%	27%	
South San Francisco Ferry Service (SSF)					
Vessel Crew Labor	\$88,876	\$123,726	\$472,823	\$1,206,862	39%
Vessel Fuel	64,724	\$19,044	369,227	777,000	48%
Vessel Operations & Maintenance	21,344	\$124,077	132,534	464,549	29%
Facility Operations & Maintenance	47,402	\$200,476	270,002	708,666	38%
System Expense	29,991	\$82,988	170,025	464,576	37%
Total South San Francisco	\$252,337	\$550,311	\$1,414,611	\$3,621,653	39%
Farebox Recovery - SSF	8%	2%	7%	8%	
Richmond Ferry Service (Richmond)					
Vessel Crew Labor	\$241,234	\$1,116,093	\$1,385,034	\$3,275,769	42%
Vessel Fuel	168,282	\$593,583	965,272	2,175,600	44%
Vessel Operations & Maintenance	32,202	\$187,091	199,680	697,397	29%
Facility Operations & Maintenance	94,541	\$422,375	527,839	1,676,668	31%
System Expense	69,200	\$319,690	393,377	1,248,762	32%
Total Richmond	\$605,460	\$2,638,832	\$3,471,201	\$9,074,196	38%
Farebox Recovery - Richmond	11%	9%	11%	8%	

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San Francisco Bay Area Water Emergency Transportation Authority
FY 2022-23 Operating & Administration Revenue and Expense
Through the Month Ending 11/30/2022

% of Year Elapsed 42%

	Month Nov-22 Actual	Year - To - Date		Total FY2022-23 Budget	Total Budget
		FY2021-22 Actual	FY2022-23 Actual		
OPERATING EXPENSE (continued)					
Seaplane Lagoon Ferry Service (SPL)					
Vessel Crew Labor	\$152,359	\$659,569	\$776,405	\$1,724,089	45%
Vessel Fuel	129,448	\$320,776	650,519	1,398,600	47%
Vessel Operations & Maintenance	29,754	\$154,205	212,953	605,118	35%
Facility Operations & Maintenance	44,852	\$208,414	258,296	793,966	33%
System Expense	60,929	\$321,269	342,863	1,001,157	34%
Total Seaplane Lagoon Farebox Recovery - SPL	\$417,340	\$1,664,233	\$2,241,037	\$5,522,930	41%
	17%	12%	19%	18%	
Sub-Total Ferry Operations (Ongoing Service)	\$3,998,754	\$17,632,292	\$22,262,886	\$56,622,448	39%
FAREBOX RECOVERY	20%	23%	22%	20%	
Hydrogen Demostration Project					
Vessel Crew Labor		Not Applicable	\$0	\$440,460	0%
Vessel Fuel			\$0	417,400	0%
Vessel Operations & Maintenance			\$0	37,500	0%
Facility Operations & Maintenance			\$0	8,700	0%
System Expense			\$0	785,000	0%
Total Hydrogen Demonstration	\$0	\$0	\$0	\$1,689,060	0%
Subtotal Ferry Operations (All)	\$3,998,754	\$17,632,292	\$22,262,886	\$58,311,508	38%
PLANNING & ADMINISTRATION:					
Wages and Fringe Benefits	\$214,565	\$697,552	\$892,754	\$1,775,164	50%
Professional & Other Services	151,112	417,194	753,880	2,466,660	31%
Information Tech., Office, Supplies	1,442	35,689	22,426	78,000	29%
Utilities	1,808	9,810	6,849	44,700	15%
Insurance	1,855	6,536	10,733	18,829	57%
Dues, Memberships, Misc.	7,375	24,523	27,870	95,000	29%
Leases and Rentals	20,100	125,070	101,433	250,431	41%
Admin Overhead Expense Transfer	(81,044)	(419,528)	(424,102)	(1,328,784)	32%
Sub-Total Planning & Gen Admin	\$317,213	\$896,846	\$1,391,843	\$3,400,000	41%
Total Operating Expense	\$4,315,967	\$18,529,138	\$23,654,729	\$61,711,508	38%
OPERATING REVENUE					
Fare Revenue	\$782,068	\$3,268,773	\$4,831,358	\$11,228,927	43%
Federal Operating Assistance	1,972,074	7,317,515	11,136,024	27,223,251	41%
Regional - Bridge Toll	1,099,306	6,520,603	5,946,830	18,250,000	33%
Regional - Contra Costa Measure J	309,112	1,390,599	1,543,511	3,709,330	42%
Other Revenue	153,407	\$31,648	197,006	1,300,000	15%
Total Operating Revenue	\$4,315,967	\$18,529,138	\$23,654,729	\$61,711,508	38%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2022-23 Capital Revenue and Expense
Through the Month Ending 11/30/2022

Project Description	Nov-22 Total	Total Project Budget	Prior Year Expense	Total FY2022-23 Budget	Year-To-Date FY2022-23 Actual	Total Future Year	% of Total Project Budget
CAPITAL EXPENSES:							
FACILITIES:							
Operations and Maintenance Facilities							
North Bay Facility Fuel System Improvement		\$530,450	\$320,152	\$100,000	\$0	\$110,298	60%
Central Bay Facility Oil System Modification		383,968	373,268	10,700	5,718	-	99%
Terminal Improvement							
Terminal Rehabilitation - Alameda Main Street	\$24,820	8,535,014	507,257	4,943,465	175,742	3,084,292	8%
Shoreside Infrastructure for All-Electric Vessel		5,184,685	124,685	1,924,685	8,000	3,135,315	3%
Passenger Float Rehabilitation - South San Francisco	1,472	908,500	9,995	858,500	279,873	40,005	32%
Terminal Dredging - Vallejo - Surveys & Permitting		113,000	-	113,000	-	-	0%
Terminal Reconfiguration - Vallejo	3,150	550,000	-	550,000	9,883	-	2%
Central Bay Terminal Expansion		550,000	-	550,000	-	-	0%
Passenger Float Rehabilitation - Pier 9		1,362,000	-	1,362,000	-	-	0%
FERRY VESSELS:							
Vessel Construction							
New Commuter Class High-Speed Vessels - (Two)	223,388	30,082,500	24,999,892	3,925,652	1,356,167	1,156,956	88%
Electric Vessels - Expansion - (Two)		9,000,000	-	2,800,000	-	6,200,000	0%
Replacement Vessels - MV Bay Breeze and Solano	1,709,768	36,002,382	4,493,045	12,491,614	2,822,131	19,017,723	20%
Replacement Vessel - MV Intintoli	4,155	26,446,700	62,794	4,000,000	44,658	22,383,906	0%
Replacement Vessel - MV Mare Island		26,500,000	-	2,650,000		23,850,000	0%
Vessel Rehabilitation and Refurbishment							
Vessel Engines Conversion - Gemini Class Vessels	252,895	5,524,100	3,089,137	2,434,963	1,642,086	-	86%
Vessel Engines Overhaul - MV Cetus		434,564	-	434,564	112,511	-	26%
Vessel Engines Overhaul - MV Hydrus		354,600	-	354,600	112,250	-	32%
Vessel Engines & Gears Overhaul - MV Bay Breeze		491,400	140,768	210,277	263,454	140,355	82%
Vessel Fuel Injectors Overhaul - MV Intintoli		127,300	23,855	31,888	74,053	71,557	77%
Test Engine Components Replacement - MV Pyxis		315,000	-	315,000	513	-	0%
Test Engine Components Replacement - MV Vela		250,000	-	250,000	-	-	0%
Vessel Mid-Life Refurbishment - MV Gemini		4,488,000	-	4,488,000	-	-	0%
Vessel Engine Overhaul - MV Intintoli		356,000	-	356,000	152,713	-	43%
Vessel Engine Midlife Overhaul - MV Argo		563,000	-	563,000	115,322	-	20%
Vessel Engine Midlife Overhaul - MV Mare Island		132,000	-	132,000	31,709	-	24%
Vessel Waterjet System Upgrade - Pyxis Class Vessels		600,000	-	600,000	-	-	0%
General Diesel Particulate Filter Demonstration Project		335,000	-	335,000	45,000	-	13%
Total Capital Expenses	\$2,219,647	160,120,163	34,144,848	46,784,908	7,251,783	\$79,190,407	
CAPITAL REVENUES:							
Federal Funds	\$1,383,672	\$86,969,449	\$4,172,330	\$25,171,292	\$3,269,706	\$57,625,827	9%
State Funds	412,338	43,413,075	22,155,000	10,379,421	3,240,231	13,134,213	58%
Regional - Bridge Toll	344,153	23,765,525	5,435,371	7,142,670	592,818	11,187,484	25%
Regional - Alameda Sales Tax Measure B / BB	79,484	5,972,114	1,263,732	4,091,525	149,028	616,858	24%
Total Capital Revenues	\$2,219,647	\$160,120,163	\$33,026,433	\$46,784,908	\$7,251,783	\$82,564,382	

San Francisco Bay Area Water Emergency Transportation Authority
November 30, 2022 Investment Report

	Nov-22
Bank of America (Checking)	\$ 4,235,413
Bank of America (Prop 1B)	1,319,169
Bank of America (Measure B/BB)	6,795,454
Local Agency Investment Fund (LAIF)	15,372,350
Total	\$ 27,722,385

TO: WETA Board Members

**FROM: Peter Friedmann, WETA Federal Legislative Representative
Ray Bucheger, WETA Federal Legislative Representative**

SUBJECT: WETA Federal Legislative Board Report – January 2023

This report covers the following topics:

- FY23 Omnibus Appropriations Bill Includes Funding for WETA
 - WETA Congressionally Directed Spending
 - Programmatic Funding for Public Ferries
- Looking Ahead: WETA Priorities in 2023
- Still Waiting for FTA Grant Awards

FY23 Omnibus Appropriations Bill Includes Funding for WETA

The House and Senate took up and passed the FY23 Omnibus Appropriations bill in late December. This bill, which combines all 12 individual appropriations bills, will provide funding for federal government agencies through the end of the federal fiscal year, which ends on September 30, 2023.

WETA Congressionally Directed Spending

Included in the Omnibus is \$1.520 million for WETA to install diesel particulate filters (DPFs) on two of its vessels under construction. This funding was driven by Congressman John Garamendi with support from Senators Feinstein and Padilla. Installing DPFs will provide an 85% further reduction in particulate matter (PM). To reduce emissions from diesel vessels, DPFs capture and store exhaust soot, which must be periodically burned off to regenerate the filter, preventing harmful exhaust emission and black smoke commonly seen emitted from diesel equipment. Installing the DPFs is an interim step that WETA is taking while it seeks funds to purchase new zero emission vessels and convert existing diesel boats to zero emissions. The installation of DPFs will allow WETA to achieve 85% emission reductions and ensure these two vessels under construction are compliant with the California Air Resources Board's Commercial Harbor Craft regulations.

Programmatic Funding for Public Ferries

The FY23 Omnibus Appropriations bill also includes an additional \$15,000,000 for the FTA 5307(h) Passenger Ferry Grant Program, of which at least \$5,000,000 must fund "low or zero emission ferries or ferries using electric battery or fuel cell components and the infrastructure to support such ferries." This is on top of the \$30,000,000 otherwise available through this program on an annual basis. WETA has received numerous grant awards through the 5307(h) program.

Looking Ahead: WETA Priorities in 2023

Looking ahead to 2023, we plan to advocate for additional funding for the two federal grant programs that are dedicated to public ferries and for which WETA is eligible (a third federal grant program for public ferries was created by the Infrastructure Investment and Jobs Act (IIJA) but is limited to public ferry systems located in rural areas).

In particular, WETA plans to seek funding for the following programs:

- **Electric or Low-Emitting Ferry Pilot Program authorized by Section 71102 of the Infrastructure Investment and Jobs Act (IIJA):** The IIJA provides advanced appropriations for this program (\$50 million per year for five years for a total of \$250 million) and authorizes additional funding which is subject to annual appropriations. WETA will be requesting funding for the additional authorized amount for FY24, which is \$50 million.
- **FTA 5307(h) Passenger Ferry Grant Program:** WETA has received numerous grants through this competitive grant program, which is funded at \$30 million per year. WETA has requested that the Appropriations Committee “plus-up” the FTA 5307(h) ferry program the past three years. As a result, the FY21, FY22 and FY23 Transportation-HUD Appropriations bills provided additional money for the FTA program.

We plan to work with other members of the Public Ferry Coalition to advocate for this funding and we have already talked with staff for Senator Patty Murray (D-WA) and Congressman John Garamendi (D-CA) about being the lead advocates on Capitol Hill. Not only is Senator Murray a long-time advocate of public ferry systems (and WETA in particular), she is also taking over as the Chair of the Senate Appropriations Committee.

In addition to seeking programmatic funding for public ferry grant programs, we also anticipate that Congress will bring back Congressionally Directed Spending, which will allow WETA to seek project-specific funding through the FY24 appropriations process.

Still Waiting for FTA Grant Awards

We are continuing to wait for the Federal Transit Administration (FTA) to announce funding awards through the Electric and Low Emission Ferry Program (Low-No Ferry Program) and the 5307(h) Passenger Ferry Grant Program, which were combined by FTA for purposes of the FY22 Notice of Funding Opportunity (NOFO). WETA is seeking funding to install on-site battery energy storage systems on six existing floats in the cities of Oakland, Alameda and Downtown San Francisco to help facilitate the agency’s shift to zero emission ferries. Letters of support were sent to FTA by Senators Feinstein and Padilla, Speaker Pelosi, and other members of the San Francisco Bay Area Congressional delegation. Following up on those letters, we have asked certain key Congressional offices to follow-up with the agency to reiterate the support that was conveyed in the letters and to reinforce why this project is important to the region.

Respectfully Submitted,
Peter Friedmann and Ray Bucheger



1415 L Street
Suite 1000
Sacramento
CA, 95814
916-446-4656

January 3, 2023

TO: Board of Directors, San Francisco Bay Area Water Emergency Transportation Authority

FM: Matt Robinson, Partner
Michael Pimentel, Legislative Advocate

RE: **STATE LEGISLATIVE UPDATE – January 2023**

Legislative Update

The California Legislature met briefly in the State Capitol on Monday, December 5 to conduct formal swearing-in ceremonies for the new class of state legislators. They also adopted operating rules and elected leaders for the 2023 -2024 Regular Session. The Legislature also responded to a recent call from Governor Gavin Newsom for lawmakers to form a special session for the purpose of reviewing a proposal from Governor Newsom's Office to establish more regulatory oversight and a proposed penalty on oil companies when their profits exceed a certain threshold. The Legislative Calendar, which sets the deadlines for the year, has been released and can be viewed [here](#). Please note: February 17 marks the last day to introduce bills in the Regular Session.

In this report, we provide an update on WETA's legislative proposal, forthcoming Assembly Leadership change, the new special session, and the implementation of the Commercial Harbor Craft regulation; and provide a reminder on the release of final guidelines and call for projects for TIRCP – Cycle 6.

WETA Legislative Proposal on Sales and Use Tax Exemption for Zero-Emission Ferries

Throughout December 2022, SYASL supported WETA staff in developing legislative language and supporting background materials to establish a new sales and use tax exemption for zero-emission ferries used by public transit agencies. We also supported WETA staff in presenting the proposal to potential authors in WETA's legislative delegation for introduction in 2023. As of the drafting of this report, we are working with WETA staff to confirm an author.

Assembly Memorializes Leadership Change

As we reported to you in November 2022, Assembly Democrats met shortly after the General Election to discuss who will lead the Caucus in 2023 and beyond. That meeting ended in an agreement to allow Speaker Anthony Rendon (D-Lakewood) to maintain his leadership position until June 30, 2023, at which point Assembly Member Robert Rivas (D-Salinas) would assume the leadership post. On December 5, during the Assembly's organizing session, the Assembly memorialized this agreement with the passage of [HR 1 \(McCarty\)](#).

Governor Newsom Convenes Special Session

On November 30, Governor Newsom signed a [proclamation](#) to convene a special session on December 5 to "pass a price gouging penalty on oil companies that will keep money in Californians' pockets." Governor Newsom has called on the Legislature to also consider during the special session efforts to

empower state agencies to more closely review gas costs, profits and pricing as well provide the state with greater regulatory oversight of the refining, distribution and retailing segments of the gasoline market in California.

On December 5, the special session – formally, the First Extraordinary Session of 2023-24 – officially convened. In this special session, several bills by Democratic and Republican legislators have already been introduced that seek to address the high cost of gasoline in California. The Governor’s proposal is reflected in [SBX1-2 \(Skinner\)](#).

CARB’s Commercial Harbor Craft Regulation Amendments Take Effect

On December 30, the Office of Administrative Law (OAL) approved amendments to the California Air Resources Board’s (CARB) Commercial Harbor Craft (CHC) Regulation. Thus, the amended CHC Regulation took effect on January 1, 2023. As noted in the Executive Directors report, WETA staff is finalizing an Alternative Control of Emissions (ACE) plan detailing how WETA will comply with the CHC regulations. WETA will submit its ACE plan to CARB for review and approval in the coming weeks.

To assist regulated parties with implementation, CARB staff is preparing several “fact sheet” documents to explain the core requirements of the amended regulation and posting the fact sheets on the [CHC Program Factsheet Page](#) as they become available.

Reminder: CalSTA Releases Final Guidelines and Call for Projects for Transit and Intercity Rail Capital Program – Cycle 6

On November 15, the California State Transportation Agency (CalSTA) released the final program guidelines and a call for projects for the Transit and Intercity Rail Capital Program (TIRCP) – Cycle 6. The final guidelines, comparison document, and the call for projects are available on the [CalSTA website](#). CalSTA expects to award a minimum of \$1.8 billion to existing TIRCP projects by January 31, 2023. Applications for new projects and high-priority grade separations are due February 10, 2023. WETA staff are working on a new project application to advance its transition to zero emissions. CalSTA expects to announce those awards by April 24, 2023.

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Kevin Connolly, Planning & Development Manager
Gabriel Chan, Transportation Planner

SUBJECT: Monthly Ridership and Recovery Report – November 2022

Background

The WETA Pandemic Recovery Plan (Plan) began on July 1, 2021 with the enhancement of the Vallejo, Oakland & Alameda, and Richmond routes, the restart of the suspended Harbor Bay route, and the launch of the new Alameda Seaplane route. The following weekend also marked the relaunch of weekend service on the Vallejo, Oakland & Alameda, and Richmond routes. The South San Francisco service was relaunched in November 2021.

The Plan enhanced service during midday and weekend periods in an effort to meet changing demands from regular commuters and recreational riders. Lower fares, more in line with parallel transit options such as BART or Transbay buses, is an additional feature of the Plan. Future modifications in service will generally follow state guidelines for reopening the economy and subsequent changes in demand. The Plan calls for a monthly evaluation of ridership demand together with other measures relating to how the Bay Area is responding to the COVID-19 health crisis. The Monthly Ridership and Recovery Report presents a status report of the WETA system along with anticipated service adjustments for the upcoming weeks.

Discussion

Overall, ridership grew in the first year of the Plan despite dips in the fall and winter due to the Delta and Omicron COVID variants. Beginning in March 2022, the system saw the largest increases in ridership since the start of the pandemic thanks to significant increases in weekday peak-hour ridership as more employers began implementing return-to-office plans. The agency finished Fiscal Year 2022 with about 50% of 2019 pre-pandemic annual ridership—above budget projections for FY22. WETA is currently seeing a slump in ridership—similar in magnitude to previous seasonal wintertime drops in ridership. Despite this, the agency continues to perform better than other regional transit operators and ahead of the budget projection for the fiscal year to date.

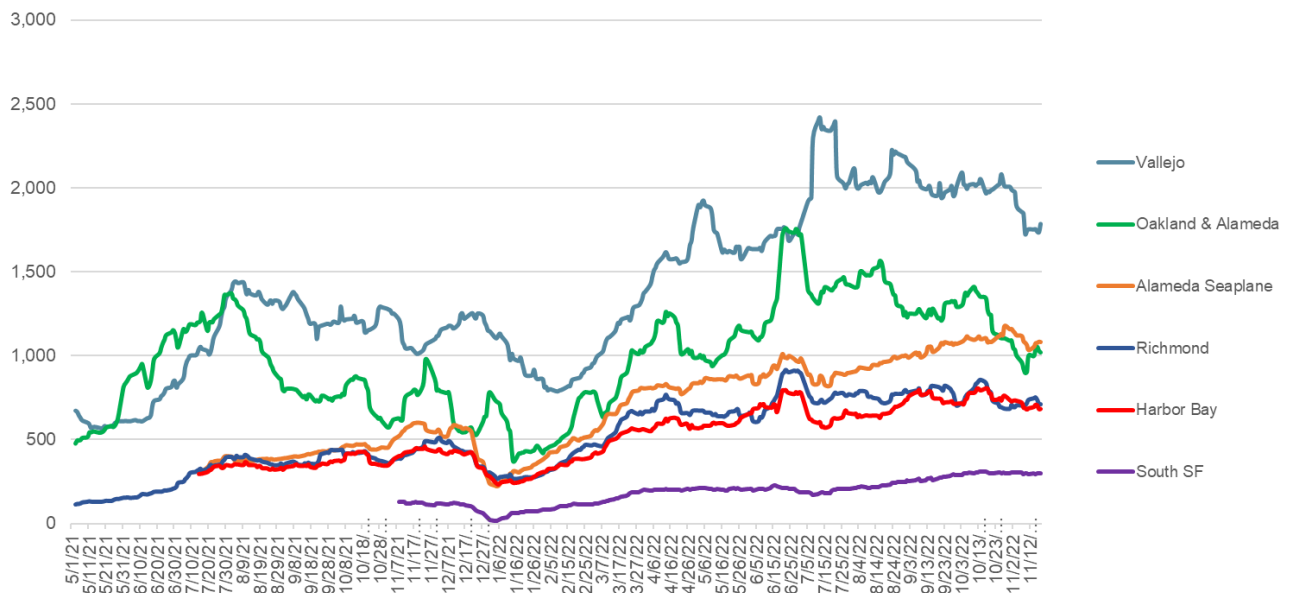
Highlights:

- WETA continues to outperform other regional transit operators in pandemic ridership recovery.
- In November, ridership fell below the monthly budget projection for the first time this fiscal year.
- WETA is still ahead of the budget projection fiscal year to date because of the agency's overperformance in earlier months.

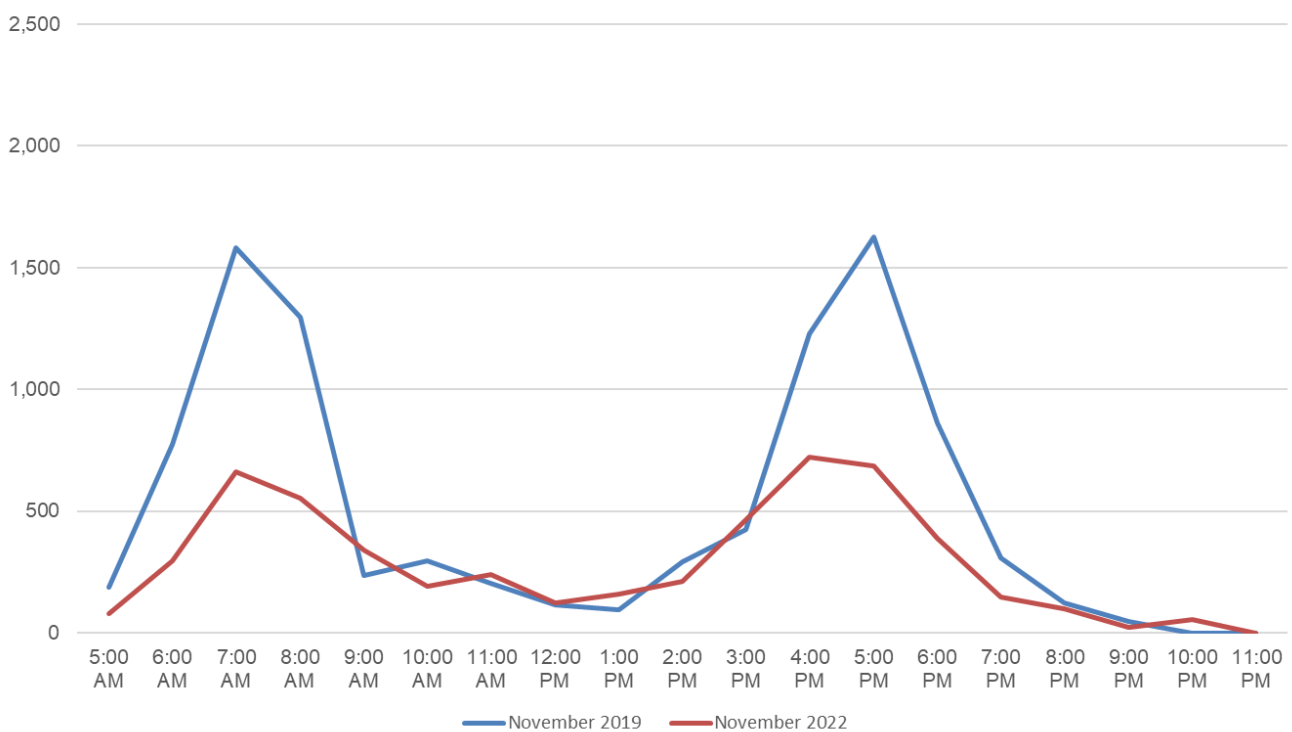
Recommendations

Staff have developed schedule and crewing adjustments to the Vallejo, Richmond and weekend Alameda/Oakland service that will take effect in March 2023. These adjustments are part of a longer-term effort to adjust service characteristics such as dwell times to the new lower-volume profile of ridership throughout the system. In addition, the upcoming service changes will introduce fuel-saving measures to reduce expenses and overall emissions.

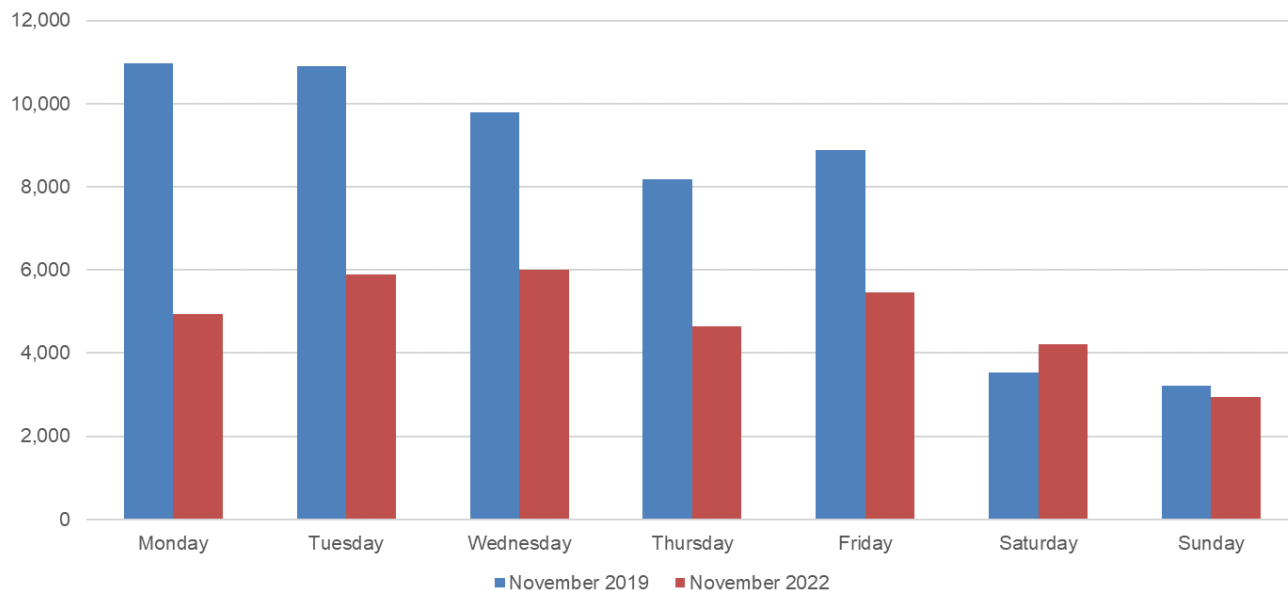
10-Day Weekday Average Ridership



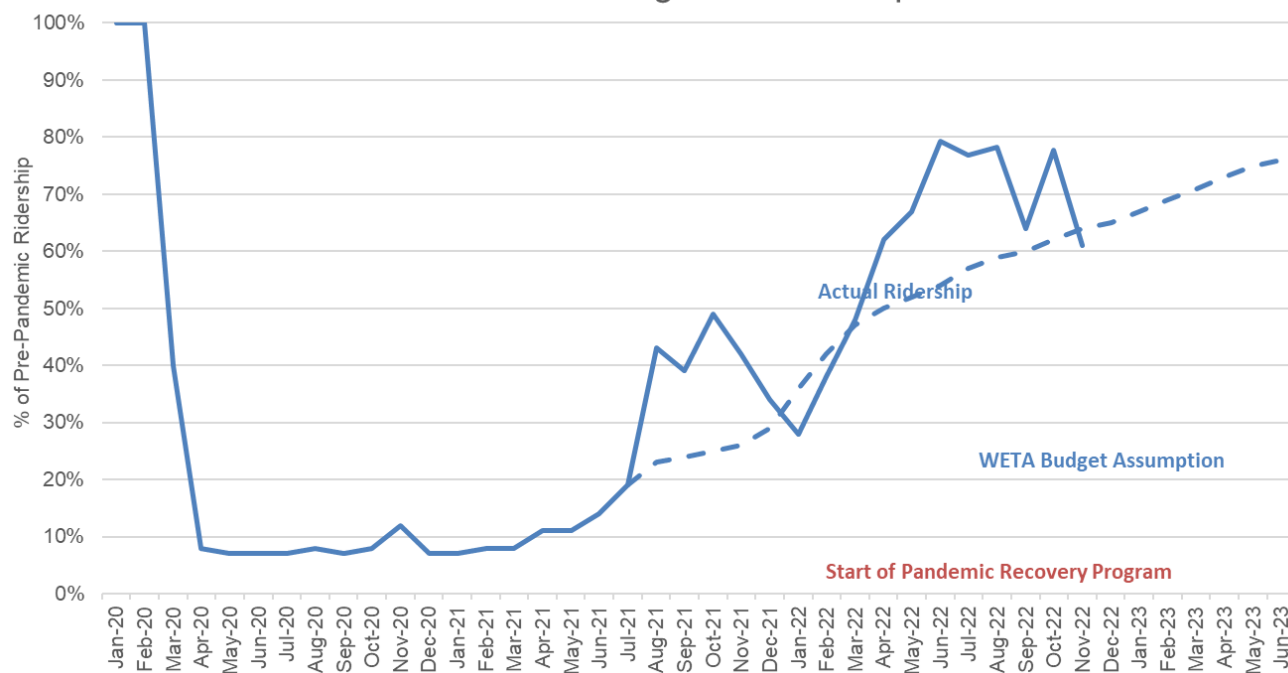
Average Weekday Hourly Boardings



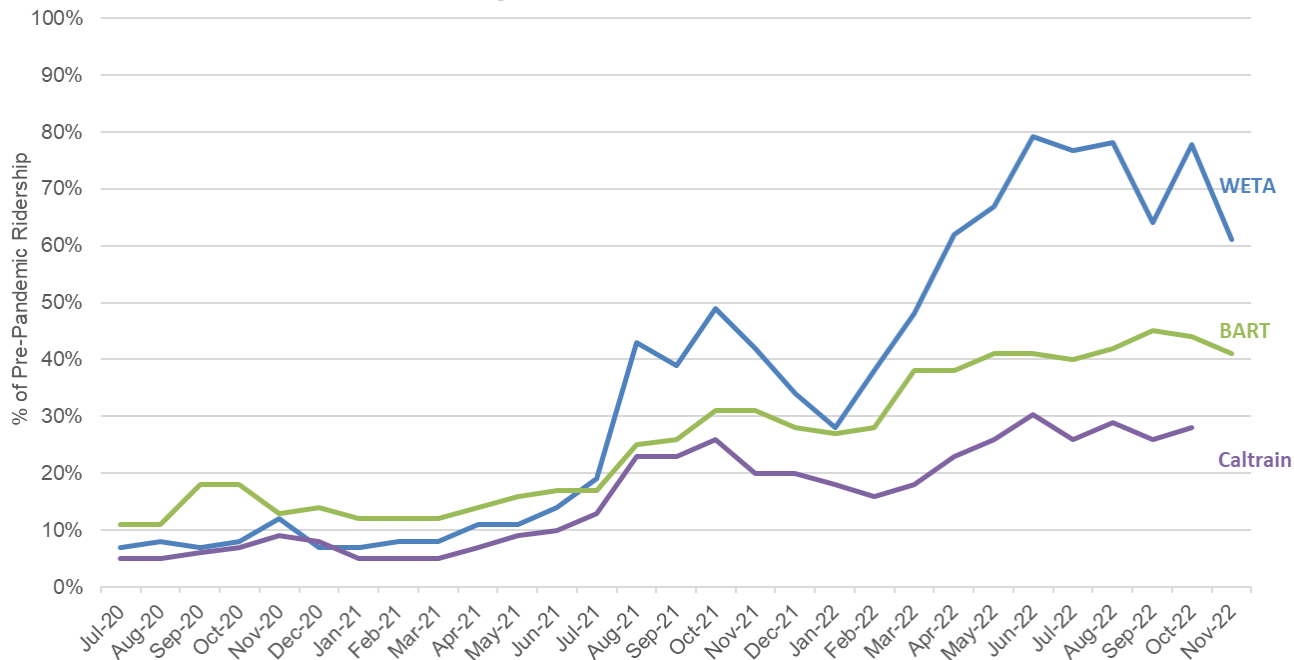
Average Boardings by Day of Week
Systemwide



Actual vs. Budgeted Ridership



Regional Transit Ridership



Note: Caltrain Ridership Recovery is only available through October 2022 as of now. Updated November 2022 data from Caltrain will be available following their January 2023 board meeting.

Monthly Operating Statistics Report

November 2022		Oakland & Alameda*	Vallejo*	Richmond	Harbor Bay	Alameda Seaplane	South San Francisco**	Systemwide
Boardings	vs. last month	Total Passengers November 2022	42,928	46,905	17,690	13,994	20,975	148,215
		Total Passengers October 2022	62,329	56,731	21,411	15,988	23,582	186,463
		Percent change	-31.13%	-17.32%	-17.38%	-12.47%	-11.06%	-20.51%
	vs. same month last year	Total Passengers November 2022	42,928	46,905	17,690	13,994	20,975	148,215
		Total Passengers November 2021	34,615	32,827	13,146	8,531	11,186	102,078
		Percent change	24.02%	42.89%	34.57%	64.04%	87.51%	45.20%
	vs. prior FY to date	Total Passengers Current FY To Date	281,073	291,249	100,926	73,729	106,404	880,644
		Total Passengers Last FY To Date	207,677	196,083	57,389	38,452	45,760	545,361
		Percent change	35.34%	48.53%	75.86%	91.74%	132.53%	61.48%
Ops Stats	Avg Weekday Ridership November 2022		2,044	2,234	842	666	999	7,058
	Passengers Per Hour November 2022		91	66	56	73	103	73
	Revenue Hours November 2022		470	714	314	192	203	2,026
	Revenue Miles November 2022		6,656	19,781	6,072	3,973	3,350	42,142
	Farebox Recovery Year-To-Date							
	Peak hour utilization, AM – November 2022		14%	38%	36%	40%	33%	32%
	Peak hour utilization, PM – November 2022		31%	48%	36%	46%	34%	37%
Fuel	Fuel Used (gallons) – November 2022							0
	Avg Cost per gallon – November 2022							

* Includes special event ridership to/from Oracle Park and/or Chase Center

** Service suspended on the South San Francisco route until November 2021

END

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director

SUBJECT: Adopt Resolution Regarding Remote Meetings Pursuant to Assembly Bill 361

Recommendation

Adopt resolution authorizing the WETA Board to meet remotely pursuant to the provisions of AB 361.

Background/Discussion

In March 2020, the Governor of California issued several executive orders in response to the COVID-19 pandemic suspending portions of the Ralph M. Brown (Brown) Act to allow Board members to participate remotely in Board meetings without complying with the Brown Act's restrictions on such remote attendance. (Executive Order N-25-20 and N-29-20)

The Governor's executive order that specifically waived certain requirements of the Brown Act expired on September 30, 2021. On September 16, 2021, the Governor signed Assembly Bill (AB) 361 into law, effective on October 1, 2021. AB 361 amends the Brown Act to allow legislative bodies to meet remotely without complying with traditional teleconference meeting rules, provided there is a state of emergency and either (1) state or local officials have imposed or recommended measures to promote social distancing or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees.

The Governor-declared state of emergency continues to be in effect and both state and local officials continue to recommend measures to promote physical distancing. WETA's Board meetings, therefore, are in accordance with AB 361's requirements.

In order to qualify for AB 361, the Board must, within 30 days of its first meeting under AB 361, and every 30 days thereafter, make findings that it has reconsidered the circumstances of the state of emergency and that either or both (a) the state of emergency continues to directly impact the ability to meet safely in person and/or (b) state or local officials continue to impose or recommend measures to promote social distancing.

The Executive Director recommends that the Board adopt these findings with the understanding that the Board will need to approve a similar resolution every 30 days if it wishes to continue to meet under AB 361's requirements for teleconference Board meetings.

Fiscal Impact

There is no fiscal impact associated this recommendation.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2023-01

FINDINGS PURSUANT TO AB 361 TO CONTINUE REMOTE PUBLIC MEETINGS

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19; and

WHEREAS, the State of Emergency remains in effect; and

WHEREAS, the California Department of Public Health and the Department of Industrial Relations have imposed or recommended measures to promote social distancing, and the San Francisco Public Health Department continues to recommend measures to promote social distancing in combination with other safety precautions when activities occur in shared indoor spaces to mitigate the risk of COVID-19 transmission; and

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 into law as urgency legislation that went into effect on October 1, 2021, amending Government Code Section 54953 of the Brown Act to allow legislative bodies to continue to meet remotely without conforming to Brown Act teleconferencing rules if the legislative body holds a meeting during a proclaimed state of emergency, and if state or local officials have imposed or recommended measures to promote social distancing; now, therefore, be it

RESOLVED that the Board of Directors has considered the circumstances of the State of Emergency and finds that:

- a. The factors triggering the State of Emergency continue to directly impact the ability of the members of the Board and members of the public to meet safely in person; and
- b. state or local officials continue to recommend measures to promote social distancing; and be it further

RESOLVED, that the Board of Directors will reconsider the circumstances of the state of emergency and revisit the need to conduct meetings remotely within 30 days of the adoption of this resolution.

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 January 12, 2023.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2023-01

END

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

(December 8, 2022)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at Vallejo City Hall, 555 Santa Clara Street, Vallejo, CA and via videoconference consistent with AB 361 as codified in Government Code Section 54953.

1. CALL TO ORDER

Chair James Wunderman called the meeting to order at 1:32 p.m.

2. ROLL CALL

Chair James Wunderman, Vice Chair Monique Moyer, Director Jessica Alba, Director Jeffrey DelBono, and Director Anthony Intintoli 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 he was excited to hold the final Board of Directors meeting in Vallejo where WETA would be offering a fond farewell to former City of Vallejo Mayor and WETA Director Intintoli for his many years of leadership and service to the Vallejo community.

Chair Wunderman commented that he enjoys taking the ferry to work every day and added that being able to take the ferry was reason enough to return to work. He said that safety is the first and foremost issue for public transit riders according to Bay Area Council surveys followed by reliability.

4. REPORTS OF DIRECTORS

Vice Chair Moyer thanked those who made the effort to attend the meeting in person. She noted that she had the opportunity to take the ferry to the meeting and acknowledged the WETA and Blue & Gold Fleet team for creating a positive rider experience. She reported that most employers are requiring employees to return to work two to three days a week noting that companies are adopting zero carbon neutrality plans with the goal to get their workforce out of cars.

Director Intintoli was very happy to report that it was his last meeting and that it was being held in Vallejo where he started. He introduced his wife Helen, sister Margaret Rose, and City of Vallejo Councilmember Pippin Dew.

5. REPORTS OF STAFF

Executive Director Seamus Murphy thanked the Directors for their comments. He acknowledged Customer Experience Specialist Rafael Regan for coordinating WETA's involvement in the Alameda Light Yacht Parade and the crews who participated. He congratulated Planning and Development Manager Kevin Connolly and his team for receiving the Taipei Design Award Program Social Innovation Award for the Alameda Seaplane Lagoon Terminal.

Mr. Murphy noted that San Francisco Bay Ferry had launched its merchandise store, The Aft Deck, at sfbfshop.com.

Mr. Murphy shared his presentation and provided an update on the efforts of the regional network management (RNM) including the preliminary short / near-term RNM structure. He noted that the continued and increasing cost for this effort required new funding.

Chair Wunderman said that he had made a case that WETA have a defined seat on the RNM Executive Board due to WETA being a regional operator.

Vice Chair Moyer congratulated everyone involved with the 2022 Taipei Design Award for Public Space Design and Social Innovation for rehabilitating the waterfront factoring in ecological and natural elements into the design of a commuter space. She commented that she looked forward to hearing more about the Bay Ferry VI exercise.

Mr. Murphy cautiously reported that fare revenues were ahead of budget and that fuel prices were coming down dramatically.

Mr. Murphy invited WETA's new legislative advocates Shaw Yoder Antwih Schmelzer & Lange (Shaw-Yoder) Partner Matt Robinson and Legislative Advocate and California Transit Association Executive Director Michael Pimentel to provide an update on the state legislative situation, budget discussions, and other issues including operating shortfalls.

Mr. Pimentel reported that Shaw-Yoder was scoping out a new legislative proposal to provide a sales and use tax exemption for the purchase of zero-emission ferries by public ferry operators like the structure offered for the purchase of zero-emission buses by public transit agencies. Mr. Robinson noted that the estimated \$10 to 15 million dollars saved based on discussions with WETA staff could be used to address some of the fiscal cliff issues.

Chair Wunderman thanked Mr. Robinson and Mr. Pimentel for their report.

Chair Wunderman mentioned that he would like to see the return of manufacturing maritime vessels in the Bay Area.

Director DelBono asked Shaw-Yoder to arrange meetings with the legislators to grow WETA's profile along with more funding.

Mr. Robinson reported that Speaker Anthony Rendon will continue in that role until June 30 and that Speaker Designee Robert Rivas would take over on July 1 in response to Director DelBono. He also reported new Speaker pro Tempore Christopher Ward was appointed. Mr. Pimentel added that Shaw-Yoder was working on getting WETA in front of key officials at regulatory agencies who will be overseeing major funding programs with complete autonomy as to how the monies are directed.

Mr. Robinson said that it may be possible to repurpose future capital monies for operations in response to Director Alba.

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

Mr. Murphy invited Public Information and Marketing Manager Thomas Hall to provide a marketing update. Mr. Hall informed the Board of active ongoing marketing campaigns and campaigns being considered for the winter and spring seasons.

6. CONSENT CALENDAR

Director Intintoli made a motion to approve the consent calendar:

- a. Adopt Resolution Regarding Remote Meetings Pursuant to Assembly Bill 361
- b. Board Meeting Minutes – November 3, 2022

- c. Authorize Release of a Request for Proposal – MV *Intintoli* and MV *Mare Island* Replacement
- d. Authorize Release of a Request for Proposals for Gemini Class Mid-Life Refurbishment
- e. Adopt 2021 Metropolitan Transportation Commission Multi-Jurisdictional Hazard Mitigation Plan

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

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

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

7. RECOGNIZE THE OUTSTANDING SERVICE OF ANTHONY J. INTINTOLI, JR. AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY AND ITS PREDECESSOR SAN FRANCISCO BAY AREA WATER TRANSIT AUTHORITY FROM 2000 TO 2022

Mr. Murphy thanked Director Intintoli for his work and guidance.

The Directors recognized Director Intintoli for his legacy, honesty, integrity, and leadership and thanked him for his friendship, kindness, and dedication to WETA and to the community.

Director Intintoli thanked the Directors for their comments.

Chair Wunderman invited members of the public to speak on the item.

PUBLIC COMMENT

District Director Tiffanee Jones for State Assemblymember Lori Wilson and District Director Thomas Bartee for State Senator Bill Dodd thanked Director Intintoli for his service and achievements and presented him with two certificates, one on behalf of District Senior Representative Melvin Orpilla for US Representative Mike Thompson and the other from the State of California from the offices of Senator Dodd and Assemblymembers Wilson and Timothy S. Grayson.

Councilmember Dew thanked Director Intintoli and said she hoped to carry on his vision, dedication, and financial responsibility.

Member of the Public Russ Barnes offered words of appreciation and congratulations.

Vallejo Chamber of Commerce Governmental Affairs Vice Chair Beau Defehr spoke on behalf of Past Vallejo Chamber Chair Shawna Gilroy thanked him for his support.

Helen Intintoli expressed admiration for her husband, confirmed his dedication, and thanked everyone for acknowledging his wonderful character.

Chair Wunderman invited remote participants to speak on the item.

Master, Mates & Pilots Regional Representative Captain Sly Hunter and Inlandboatmen's Union of the Pacific (IBU) Regional Director Robert Estrada offered words of appreciation and congratulations. Mr. Estrada read a resolution for the record that was passed by IBU.

Former Executive Director Nina Rannells acknowledged his principles and integrity and thanked him for leading the transition of the Vallejo Ferry Services.

The Directors and speakers thanked his family for their sacrifices for enabling Director Intintoli to serve on the Board.

Chair Wunderman read Resolution No. 2022-47, and the Directors presented Director Intintoli with the signed resolution and the MV *Intintoli* life ring replica.

Vice Chair Moyer made a motion to adopt Resolution No. 2022-47 approving this item.

Director Intintoli thanked the WETA Board, staff, and the San Francisco Bay Ferry crews for a fantastic 22 years.

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

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

**8. RECEIVE THE INDEPENDENT AUDITOR'S REPORTS FOR THE FISCAL YEAR
ENDING JUNE 30, 2022**

Chief Financial Officer Erin McGrath presented this item to receive WETA's annual financial reports for fiscal year ending June 30, 2022, as audited and prepared by Maze & Associates, consisting of the following documents:

- A. Memorandum on Internal Control and Required Communications
- B. Basic Financial Statements
- C. Single Audit Report
- D. Measure B Fund Financial Statements
- E. Measure BB Fund Financial Statements

Ms. McGrath noted the importance of the COVID relief money and the absence of the liabilities associated with retiree responsibilities.

Ms. McGrath introduced Maze & Associates Vice President David Alvey who provided a more in-depth explanation of some of the reports. He thanked the WETA finance group for their help.

Ms. McGrath confirmed the fluctuation of funds in response to Director Intintoli.

Ms. McGrath acknowledged new Accountant Sherry Saephanh and Retiree Lynne Yu who assisted with cleaning up a few items and filling the Grants Manager position.

Vice Chair Moyer thanked the audit team for a clear, comprehensive report, the gratifying comments from Mr. Alvey, the disclosure of the pension obligations, and for ensuring that WETA's funds were insured either by the Federal Deposit Insurance Corporation (FDIC) insured or collateralized with pledged securities. She asked for more information on WETA's insurance program, what is covered and how limits were determined. Ms. McGrath provided a very brief explanation of WETA's insurance program and offered WETA's insurance program as a future agenda item.

The Directors congratulated the finance group for the clean audit.

Chair Wunderman noted the timeliness WETA's audit and that future audits may not include supplemental federal funding.

Director DelBono made a motion to adopt Resolution No. 2022-48 approving this item.

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

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

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

9. APPROVE CONTRACT AWARD TO FOTH & VAN DYKE AND ASSOCIATES, INC. FOR ON-CALL DREDGING SUPPORT SERVICES

Senior Planner/Project Manager Chad Mason presented this item approving contract award to Foth & Van Dyke and Associates, Inc. (Foth) for on-call professional services to support the ongoing system-wide dredging program for a total amount not to exceed \$1 million for a five-year term.

Mr. Mason stated that several facilities in the WETA system require regular dredging to maintain operations, including Harbor Bay, Richmond, South San Francisco, Vallejo, and both the Central and North Bay Operations & Maintenance Facilities.

Mr. Mason noted that Foth has extensive experience working on WETA dredging projects and has identified two Small Business Enterprise (SBE) subcontractors and an additional one pending SBE certification.

Director Intintoli made a motion to adopt Resolution No. 2022-49 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, Intintoli, Moyer, Wunderman. Nays: None. Absent: None.

10. APPROVE CONTRACT AWARDS TO MACKENZIE, DAVIS & ASSOCIATES COMMUNICATIONS, AND UNDERGROUND AGENCY FOR MARKETING AND PUBLIC RELATIONS SERVICES

Mr. Hall presented this item approving contract awards to three firms: MacKenzie, Davis & Associates Communications, and Underground Agency for marketing and public relations services in an aggregate amount not to exceed \$350,000 per year for all three contracts over a seven-and-a-half-year term and authorize the Executive Director to negotiate and execute agreements and take any other related actions to support this work.

Mr. Hall stated that WETA has historically used marketing and public relations consultants to support a wide breadth of work undertaken by staff. This outside support has allowed WETA to scale up its marketing and public information capacity given limited staff resources and the agency's dynamic needs.

In response to Director Alba, Mr. Hall said that the three firms would be able to provide a variety of support and that he would be having a creative meeting with the firms to determine any specialized services offered by each firm.

Director Alba made a motion to adopt Resolution No. 2022-50 approving this item.

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

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

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

11. APPROVE CONTRACT AWARDS TO NEXT STEPS MARKETING AND INTERETHNICA, INC. FOR COMMUNITY OUTREACH SERVICES

Mr. Hall presented this item approving contract awards to two firms: Next Steps Marketing and InterEthnica Inc. for community outreach services in an aggregate amount not to exceed \$200,000 per year for both contracts over a seven-and-a-half-year term, and authorize the Executive Director to negotiate and execute an agreement and take any other related actions to support this work.

Mr. Hall emphasized that significant importance was placed on a clear understanding of WETA's needs and a well-articulated proposed approach to meet those needs, in addition to the qualifications of the proposer. He added that the response to these prompts in the RFP helped the evaluation panel determine proposers highly likely to be successful in developing and executing outreach campaigns on behalf of WETA.

Director Intintoli made a motion to adopt Resolution No. 2022-51 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, Intintoli, Moyer, Wunderman. Nays: None. Absent: None.

12. 2022 ONBOARD PASSENGER SURVEY REPORT

Mr. Hall presented this informational item and shared his presentation on the 2022 Onboard Passenger Survey Report.

Mr. Hall reminded the Board that WETA undertook onboard intercept surveys every three years to gather important data about passengers and San Francisco Bay Ferry to help improve service and increase ridership with the most recent full survey being completed in late 2017 and a supplemental Richmond-only survey completed in 2019 following the launch of that route. He said that WETA produced an onboard intercept survey in February 2021 to get a snapshot of pandemic ridership with only three routes active running minimal service.

Mr. Hall said that WETA contracted with CDM Smith to perform an onboard intercept survey on all routes on July 26-28, 2022, and on active weekend routes on August 27-28, 2022.

Mr. Hall presented the most notable findings including information on passenger satisfaction, new ridership growth, demographic changes, other findings, and plans for future surveys.

The Directors thanked Mr. Hall for his informative presentation.

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

13. REVIEW AND PROVIDE INPUT ON WETA'S DRAFT 2023 LEGISLATIVE PROGRAM

Government and Regulatory Affairs Specialist Terence Candell presented this information item requesting Board member input on WETA's Draft 2023 Legislative Program.

Mr. Candell highlighted two new areas: a statewide effort to provide short-term state transit operations funding and a WETA bill proposal to exempt the purchase of zero emission public transportation ferries from the state sales and use tax.

Mr. Murphy stated that input from the Board would be considered with the final program being brought back in January for final approval.

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

14. WETA FLEET ELECTRIFICATION STUDY: FUTURE BATTERY TECHNOLOGY, COST PROJECTION, ENVIRONMENTAL IMPACT

Mr. Murphy introduced this informational item and Berkeley Environmentally Aware Consulting Network (BEACN) Project Manager Shannon Paulson to lead the discussion.

Ms. Paulson introduced the BEACN team (Project Manager Eula Billaut, Associate Consultants Emma Azhan, Saniya Shrotriya, MaryClare Rovere, Luna Hohner, Paige Thionnet, and Lima McDonough).

The BEACN team shared their presentation that included the project overview on battery technology, an analysis of environmental and social impacts, the end-of-life plan, next steps, and offered final recommendations. The BEACN team noted that this innovation was happening rapidly.

The Directors thanked the BEACN team for their technical, comprehensive report.

The BEACN team are undergraduates studying the various fields (Chemical Engineering, Environmental Economics and Policy, Materials Engineering, and Society and Environment. who are motivated to do their part to fight climate change along with social issues and tackling challenges.

15. AUTHORIZE RELEASE OF A REQUEST FOR PROPOSALS – CONSTRUCTION OF A NEW FLOAT TO SUPPORT A TRANSITION TO ZERO EMISSION VESSELS

Operations and Maintenance Manager Timothy Hanners thanked the BEACN team for their report and Aurora Marine Design Naval Architect Connor Bennett for his work with the team. Mr. Hanners introduced this item recommending authorizing release of a request for proposals for construction of a float to support a transition to zero-emission vessels

Director Intintoli made a motion to 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, Intintoli, Moyer, Wunderman. Nays: None. Absent: None.

16. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

Chair Wunderman noted the great captioning work, and Mr. Murphy stated that WETA would work on the additional request.

With all business concluded, Chair Wunderman adjourned the meeting at 4:47 p.m.

- Board Secretary

END

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Lauren Gulate, Government & Regulatory Affairs Manager
Terence Candell, Government & Regulatory Affairs Specialist

SUBJECT: Approve WETA's 2023 Legislative Program

Recommendation

Approve WETA's 2023 Legislative Program.

Discussion

Staff has worked with our state and federal legislative representatives, Shaw Yoder Antwih Schmelzer & Lange (Shaw-Yoder) and FBB Federal Relations/Lindsay Hart, LLP (FBB Federal Relations) to develop a state, regional and federal legislative program for 2023, provided as **Attachment A**. The program establishes the principles that will guide WETA's legislative and regulatory advocacy efforts during the calendar year. It is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow WETA to respond swiftly and effectively to unanticipated developments. Adoption of the program will provide our state and federal delegation and regional partners with a clear statement of WETA's priorities and will provide a guide for staff and our legislative representatives in carrying out our legislative efforts.

The legislative program is structured to guide WETA's actions in support of the following general principles:

1. Build awareness about WETA programs and services among key regional, state and federal decision makers;
2. Preserve and enhance funding opportunities to maintain and expand WETA programs and services;
3. Seek regulatory reform that streamlines project delivery and maximizes WETA's ability to meet ferry service demands; and
4. Support WETA projects including:
 - WETA 2050 Service Vision & Business Plan
 - Transition to zero emissions fleet
 - Mission Bay Terminal construction and service expansion
 - Vallejo Terminal Reconfiguration
 - Treasure Island Service Expansion
 - Berkeley Service Expansion
 - Redwood City Service Expansion

Issues covered by the 2023 Legislative Program fit within two primary categories: 1) funding opportunities and 2) legislative, regulatory and administrative issues. These categories include a detailed list of legislative initiatives and a corresponding set of advocacy strategies that WETA will implement. To support the programs, WETA staff and legislative consultants will employ a variety of engagement strategies including direct advocacy with policymakers and relevant agencies, coalition-based engagement and public communications to build awareness about specific issues.

With the changing legislative landscape, WETA staff created the 2023 Legislative Program by updating the *strategies* under each *issue/background* section. These updates continue to be in line with the guiding principles and ensure that WETA's legislative strategies remain relevant and effective. Staff has included two new areas that should be highlighted: a statewide effort to provide short-term state transit operations funding and a WETA bill proposal to exempt the purchase of zero emission public transportation ferries from the state sales and use tax. Both of these are described in more detail in the Regional and State Legislative Program.

WETA positions on issues not covered in the 2023 Legislative Program will be guided by the four principles listed above. Should recommendations emerge that call for advocacy on issues outside of these principles, WETA staff will confer with the Board Chair to determine appropriate direction, which may include bringing recommendations to the full Board for consideration. WETA's legislative representatives will provide monthly updates to the Board on the status of WETA positions, relevant issues, outreach activities, strategy, and results.

Staff has incorporated the Board's input on the draft program presented in December 2022 and is seeking Board approval for this final version of the 2023 legislative program.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

ATTACHMENT A

DRAFT 2023 Regional, State, and Federal Legislative Program San Francisco Bay Area Water Emergency Transit Authority

Introduction

The 2023 Legislative Program establishes the principles that will guide the San Francisco Bay Area Water Emergency Transportation Authority's (WETA) legislative advocacy efforts through the 2023 calendar year. Legislative and regulatory actions have the potential to significantly benefit WETA's programs and services, but can also present challenges that threaten WETA's ability to meet ferry service demands.

The program is intended to be broad enough to cover the wide variety of issues that are likely to emerge and flexible enough to allow WETA to respond swiftly and effectively to unanticipated developments.

Principles

The 2023 Legislative Program is organized to guide WETA's actions and positions in support of four primary principles:

1. Build awareness about WETA programs and services among key regional, state and federal decision makers;
2. Preserve and enhance funding opportunities to maintain and expand WETA programs and services;
3. Seek regulatory reform that streamlines project delivery and maximizes WETA's ability to meet ferry service demands;
4. Support WETA projects including:
 - WETA 2050 Service Vision & Business Plan
 - Transition to zero emissions fleet
 - Mission Bay Terminal
 - Treasure Island Service Expansion
 - Berkeley Service Expansion
 - Redwood City Service Expansion

Advocacy Process

Issues covered by the 2023 Legislative Program fit within two primary categories: 1) funding opportunities and 2) legislative, regulatory and administrative issues. These categories include a detailed list of legislative initiatives and a corresponding set of advocacy strategies that WETA will implement.

WETA positions on issues not covered in the categories below will be guided by the four principles listed above. Should recommendations emerge that call for advocacy on issues outside of these principles, WETA staff will confer with the Board Chair to determine appropriate direction, which may include bringing recommendations to the full Board for consideration. WETA's legislative representatives will provide monthly updates to the board on the status of WETA positions, relevant issues, outreach activities, strategy, and results.

WETA staff and legislative consultants will employ a variety of engagement strategies to support the 2023 Legislative Program, including:

Direct Advocacy: WETA will engage state and federal policy makers directly; submit correspondence and provide public testimony that communicates and advances WETA's legislative priorities and positions.

Coalition Engagement: WETA will engage relevant stakeholders to build coalitions of support that amplify WETA's advocacy efforts and expand WETA's influence beyond the Bay Area. These efforts will include engagement of transit advocacy organizations, suppliers and shipyards, employers, labor organizations and other stakeholders that would benefit from advancement of WETA's 2023 Legislative Program.

Public Communications: WETA will build public awareness about the agency's advocacy priorities by actively seeking media attention and maximizing the use of social media to highlight the need for actions consistent with the 2023 Legislative Program.

Regional and State Legislative Program

Funding Opportunities

<i>Issue / Background</i>	<i>Strategy</i>
<p>State Transit Operations Funding</p> <p>While Congress stepped in within months of the onset of the COVID-19 pandemic to provide billions of dollars in COVID relief assistance, this assistance is running out and there will not be an appetite for additional aid in a divided Congress. Ridership, while on the upswing, is still well below 2019 levels yet costs to run transit systems are subject to the same inflation pressures affecting the rest of the economy. Looking to FY 2023-24 and beyond, transit systems across California are facing multi-million dollar shortfalls as they approach the day when their federal COVID relief funds run out. WETA will have fully expended COVID relief funds by the beginning of FY 25 and will be incurring a deficit in FY 25 without additional operating funds.</p> <p>The Metropolitan Transportation Commission (MTC), transit agencies and advocacy groups are working together to advocate for “bridge funding” to support transit operations as federal COVID relief dollars are being fully expended and while region prepares to put a transportation ballot measure forward to voters in 2026 or 2028. This funding is anticipated to support operations while ridership continues to recover from the pandemic and will be targeted to assist those agencies that have expended federal COVID relief funding and are facing a deficit as well as for implementation of strategies seeking to increase ridership</p>	<ul style="list-style-type: none"> • In coordination with MTC, the California Transit Association, and other Bay Area transit agencies and advocacy groups, advocate for funding from the FY 2023-24 State budget to support transit operations to bridge the gap between the expenditure of federal COVID relief funds and the creation of new, permanent funding to support transit operations. • Continue to work with MTC and our transit agency partners to ensure that MTC’s advocacy program includes long-term investment in transit operating funds for WETA’s continued operating needs. • Build coalition of support for the allocation of funds to State programs that support WETA projects and plans in addition to direct allocations to WETA priority projects. • Seek transit funding equity by ensuring water transit is eligible for all programs available to other transit modes.

<i>Issue / Background</i>	<i>Strategy</i>
<p>Enhancing Equity</p> <p>In July 2021, WETA implemented the Pandemic Recovery Program (PRP) guided by core principles focused on enhancing equity and access to ferry service and increasing service levels to expand access to transit dependent riders and incentivizing demand to support the region’s economic recovery. The PRP expanded service and temporarily reduced fares. The PRP has been extended through June 30, 2023.</p>	<ul style="list-style-type: none"> • Work with transit coalitions to identify and advance opportunities for new operating funding to enhance equity and expand access to transit dependent riders. • Advocate for the preservation and expansion of current programs that make transit more affordable and accessible to low-income riders.
<p>Regional Funding Measures</p> <p>In June 2018, 55% of Bay Area voters passed Regional Measure 3 (RM3), which increased toll revenues to support transit and traffic relief improvements. RM3 included an expenditure plan that would provide WETA with \$300 million in capital funds and \$35 million per year in operating subsidy. Allocation of RM3 funding is on hold while the California Supreme Court considers a legal challenge related to the measure’s voter approval threshold. On January 1, 2019 the Bay Area Toll Authority began collecting the first dollar of the approved toll increase. Toll revenues collected are being placed into an escrow account and will not be allocated to project sponsors until the legal challenge is settled.</p> <p>MTC is collaborating with transit agencies and other stakeholders to evaluate the potential for a regional transportation funding measure in 2026 or 2028.</p>	<ul style="list-style-type: none"> • Advocate for alternative funding to reduce or eliminate delays to RM3-dependent WETA projects. • Build a coalition that supports a development of a regional ballot measure that replaces RM3 investments if needed. • Support planning for additional regional funding opportunities that maximize investment in WETA programs and services.

<i>Issue / Background</i>	<i>Strategy</i>
<p>SB 1 Gas Tax Funding</p> <p>In 2017, the State enacted SB 1, which authorized more than \$700m per year for public transit. This was the largest increase in dedicated transit funding in more than 40 years. In addition to augmenting the State Transit Assistance program, SB1 created new programs such as the State of Good Repair (SGR) program that have benefitted WETA. Complimentary to SB 1 is ACA 5 (passed by voters in June 2018), which protects new and existing sources of transit funding from future diversions by the Legislature.</p>	<ul style="list-style-type: none"> • Oppose the elimination or diversion of any State or regional funds that support WETA. • Identify and advocate for opportunities to secure investment from ongoing SB1 programs to support WETA’s priorities. • Monitor efforts to study alternative funding mechanisms that would shift the state away from its reliance on fuel taxes to fund transit and transportation (e.g. VMT fees).
<p>State Transit Assistance Funds</p> <p>State Transit Assistance (STA) funds are generated by a sales tax on fuel and diesel fuel. The amount of money available for transit agencies varies from year to year based on fluctuations in diesel prices. 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.</p> <p>The Fiscal Years 2020-21 and 2021-22 State Budget included relief measures to ensure that STA funds are not decreased during the pandemic due to lower reported operating revenues due to reduced ridership. These relief measures are set to expire at the end of FY 2022-2023, which could adversely impact current funding.</p>	<ul style="list-style-type: none"> • Work with the California Transit Association to secure an extension of these relief measures through Fiscal Year 2024-25. • Work with MTC and regional transit partners to secure continued STA funding that WETA is eligible to receive and oppose efforts to change the distribution formula in a way that disadvantages WETA service and/or capital programs.

<i>Issue / Background</i>	<i>Strategy</i>
<p>Cap-and-Trade Revenues – Greenhouse Gas Reduction Fund</p> <p>In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). Since the program began selling allowances, the program has generated billions of dollars. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process. In 2017, the legislature extended the program from 2020 to 2030. WETA is eligible for funding through the Low Carbon Transit Operations Program (LCTOP), the Transit and Intercity Rail Capital Program (TIRCP), and various new programs for zero-emission commercial harborcraft and ferries at the California Air Resources Board. TIRCP was created to fund capital improvements for transit agencies that significantly reduce emissions, vehicle miles traveled, and congestion. There have been five cycles of TIRCP funding, awarding \$6.6 billion in funding throughout the state. WETA has been awarded two TIRCP grants, totaling \$24 million to support the agency's efforts to transition to zero emissions.</p>	<ul style="list-style-type: none"> • Work with the Administration to secure appropriation of cap-and-trade revenues to support WETA's capital needs, including the agency's efforts to transition to zero emission vessels. • Support legislation and regional action that makes WETA's emissions-reducing projects and services eligible for investment from relevant programs. • Work to direct additional revenues to programs that support WETA priorities, including efforts to secure funding from the remaining discretionary funds. • Identify and develop a project related to the agency's efforts to transition to zero emissions and have it ready to submit for the next cycle of TIRCP funding and for forthcoming funding opportunities at CARB. • Continue to work with our legislative advocates to secure additional funding in future TIRCP cycles.
<p>Emergency Response Funding</p> <p>WETA's enabling legislation directs the agency to provide comprehensive water transportation and emergency coordination services for the Bay Area region. Despite this mandate, no operating funds have been received by WETA to support this requirement. A new State Assembly Select Committee was created to evaluate how transportation infrastructure and systems are prepared to respond in emergencies. The committee is chaired by Assemblymember Lori Wilson, and WETA has worked productively with her office to discuss how the agency can be helpful in guiding the work of the committee.</p>	<ul style="list-style-type: none"> • Work with partner organizations to advocate for funding that enhances WETA's ability to effectively carry out the responsibilities detailed in the agency's Emergency Response Plan. • Advocate for the inclusion of enhanced emergency response capability to be included as criteria in relevant discretionary grant opportunities. • Continue to work with Assm. Lori Wilson and her office to advance WETA's opportunities for emergency response funding and support the accomplishment of the two previous strategies.

<i>Issue / Background</i>	<i>Strategy</i>
<p>Other funding opportunities</p> <p>Transit agencies have increasingly partnered with private sector entities to create investment in infrastructure and enhanced or expanded services. WETA is poised to offer transit solutions that support new waterfront development, job growth, and congestion relief that local jurisdictions and private sector entities will benefit from.</p>	<ul style="list-style-type: none"> • Support policies that facilitate public private partnerships that advance the implementation of WETA capital projects and operation of enhanced services. • Advocate for policies and projects that benefit WETA priorities through the creation of transit-oriented development and first and last mile connections. • Support other innovative funding strategies and policies that will enhance investment opportunities and revenues that support WETA programs and services.

Legislative, Regulatory and Administrative Issues

Issue / Background	Strategy
<p>General</p> <p>Every year a variety of policies are pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p>	<ul style="list-style-type: none"> • Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery, including alternative project delivery methods that provide flexibility to the agency. • Oppose efforts to impose unjustified and burdensome regulations or restrictions on WETA's ability to conduct efficient transportation operations, administration, planning and project delivery efforts. • Support efforts to advocate against Dept. of Labor 13c related FTA funding delays. • Work with the maritime community to increase the capacity and availability of local shipyard services.
<p>California Air Resources Board's (CARB) Proposed Amendments to the Commercial Harbor Craft (CHC) Regulations</p> <p>CARB approved amendments to the Commercial Harbor Craft Regulations in March 2022. The regulations set standards to reduce toxic and criteria emissions to protect public health. The new regulations are effective January 1, 2023.</p>	<ul style="list-style-type: none"> • Continue to work with CARB to ensure implementation of the CHC regulations are operationally feasible and in line with WETA's plan to comply with the CHC regulations by transitioning a portion of the fleet to zero emissions. • Work with CARB and the California Energy Commission to identify and expand funding opportunities to implement WETA's plan to comply with the CHC regulations.
<p>Streamlining Environmental Clearance & Permitting</p> <p>Projects located in or adjacent to the bay require permits from up to fourteen different regulatory agencies. Many of these agencies do not review permits concurrently which can add up to two years to the project timeline.</p> <p>The complexity of the permitting process creates time delays in the development of ferry projects. A modernized process would minimize unnecessary delays.</p>	<ul style="list-style-type: none"> • Explore opportunities to modernize the permitting process, without compromising the effectiveness of the review as an environmental protection policy.

<i>Issue / Background</i>	<i>Strategy</i>
<p>Bridge Toll Revenue Requirements</p> <p>WETA’s use of certain bridge toll revenues is subject to meeting and maintaining a minimum level of farebox recovery. Pandemic impacts and challenges during recovery have compromised the ability for all agencies to maintain pre-pandemic farebox recovery ratios. Additionally, efforts to refocus services on equity and enhancing access for riders from all income levels have led many agencies to reconsider the value of farebox recovery as a metric for the successful delivery of services.</p>	<ul style="list-style-type: none"> • Advocate for relaxed farebox recovery requirements tied to the use of regional bridge toll revenues. • Given the uncertain timeframe for the return of pre-pandemic ridership levels, advocate for the creation of new funding to support the increased subsidy needed to maintain service during recovery.
<p>Regional Transit Integration and Transformation Action Plan</p> <p>During the pandemic, MTC appointed a Blue Ribbon Task Force to facilitate transit survival and recovery, and to assess options for improving integration of the region’s transit network. The Task Force recommended proceeding with near-term, already underway efforts to improve integration and evaluating longer-term options for more transformational change.</p>	<ul style="list-style-type: none"> • Advocate that new funding be identified to support implementation of longer-term transformational policy recommendations. • Support efforts to better integrate and connect regional transit services.
<p>State Sales and Use Tax Exemption for the Purchase of Zero Emission Public Transportation Ferry Vessels</p> <p>WETA is proposing legislation that would amend Section 6377 of the Revenue and Taxation Code to exempt any zero-emission public transportation ferry technology sold to a city, county, city and county, transportation or transit district, or other public agency that provides transit services to the public, from state sales and use taxes on the technology’s sale, storage, use, or other consumption. The adoption of this bill would affect the replacement and conversion of half of WETA’s fleet, exempting and saving WETA close to \$15 Million in state sales and use tax.</p>	<ul style="list-style-type: none"> • Sponsor the legislation to exempt ferry procurements from state sales tax. • Petition transit allies that would benefit from this legislation to support and advocate for the State legislature to adopt the proposed legislation. • Lobby and work with the appropriate legislative bodies that can provide the best guidance and support for passing and enacting the proposed tax code amendment.

Federal Legislative Program

Funding Opportunities and Challenges

<i>Issue / Background</i>	<i>Strategy</i>
<p>Increase Funding for the Federal Highway Administration (FHWA) Construction of Ferry Boats and Ferry Terminal Facilities Formula Program (FBP)</p> <p>FHWA distributes funding to eligible public ferry systems based on a formula that accounts for the number of passengers and vehicles carried by each ferry system and the total route nautical miles serviced by each system. The Infrastructure Investment and Jobs Act (IIJA) increased funding for the FHWA formula program from \$80,000,000 per year to:</p> <p>\$110,000,000 for FY 22; \$112,000,000 for FY 23; \$114,000,000 for FY 24; \$116,000,000 for FY 25; and \$118,000,000 for FY 26.</p> <p>After the passage of the IIJA, Congressman John Garamendi (D-CA) and Senator Patty Murray (D-WA) introduced the Ferry Service Expansion Act, which WETA helped to develop, and which would increase funding for the FHWA program to \$160,000,000 per year.</p>	<ul style="list-style-type: none"> • Work with Public Ferry Coalition members, organized labor, and other WETA advocates to encourage members of the House and Senate to co-sponsor the Ferry Service Expansion Act. • Engage directly with Congressional leadership and relevant Congressional committees. • Coordinate outreach to Congressional leadership and relevant Congressional Committees by members of the California Congressional delegation. • Work with Public Ferry Coalition members, organized labor, and other WETA advocates, to encourage key Senators and House members to advocate for additional funding outside the Ferry Service Expansion Act.

<i>Issue / Background</i>	<i>Strategy</i>
<p>Seek Funding Excluded from the Infrastructure Investment and Jobs Act (IIJA)</p> <p>The Infrastructure Investment and Jobs Act (IIJA) was supposed to include an additional \$1.25 billion for passenger ferry grants but the funding was omitted due to a drafting error. WETA's Congressional champions continue to seek opportunities to include this funding in other legislation (including the annual appropriations bill), although the more time that passes, the more difficult this will be.</p> <p>After the passage of the IIJA, Congressman John Garamendi (D-CA) and Senator Patty Murray (D-WA) introduced the Ferry Service Expansion Act, which WETA helped to develop, and which would provide \$1.25 billion for passenger ferry grants.</p>	<ul style="list-style-type: none"> • Work with Public Ferry Coalition members, organized labor, and other WETA advocates to encourage members of the House and Senate to co-sponsor the Ferry Service Expansion Act. • Engage directly with Congressional leadership and relevant Congressional committees. • Coordinate outreach to Congressional leadership and relevant Congressional Committees by members of the California Congressional delegation. • Work with Public Ferry Coalition members, organized labor, and other WETA advocates, to encourage key Senators and House members to advocate for this funding outside the Ferry Service Expansion Act.
<p>Increase Funding for the Federal Transit Administration (FTA) 5307(h) Passenger Ferry Grant Program and Build Support for WETA Grant Applications.</p> <p>The FTA 5307(h) ferry grant program provides competitive funding for passenger ferry projects. Program funding was unfortunately not increased as part of the Infrastructure Investment and Jobs Act (IIJA), and annual funding remains at \$30,000,000.</p> <p>After the passage of the IIJA, Congressman John Garamendi (D-CA) and Senator Patty Murray (D-WA) introduced the Ferry Service Expansion Act, which WETA helped to develop, and which would increase funding for the FTA ferry grant program to \$90,000,000 per year.</p> <p>WETA seeks funding from the FTA ferry grant program every year.</p>	<ul style="list-style-type: none"> • Work with Public Ferry Coalition members, organized labor, and other WETA advocates to encourage members of the House and Senate to co-sponsor the Ferry Service Expansion Act. • Engage directly with Congressional leadership and relevant Congressional committees. • Coordinate outreach to Congressional leadership and relevant Congressional Committees by members of the California Congressional delegation. • Work with Public Ferry Coalition members, organized labor, and other WETA advocates, to encourage key Senators and House members to advocate for additional funding outside the Ferry Service Expansion Act, including through the annual appropriations process. • Work to identify future projects and work with the Congressional delegation to support WETA grant applications.

<i>Issue / Background</i>	<i>Strategy</i>
<p>Increase Funding for the Electric or Low-Emitting Ferry Grant Program Opportunities and Build Support for WETA Grant Applications.</p> <p>The Infrastructure Investment and Jobs Act (IIJA) directs the U.S. Department of Transportation (DOT) to establish a pilot program to provide grants for the purchase of electric or low-emitting (methanol, natural gas, liquified petroleum gas, hydrogen, coal-derived liquid fuels, biofuels) ferries. The IIJA provides \$50 million per year FY22-FY26 (\$250 million total) in advanced appropriations (i.e. guaranteed funding) and authorizes Congress to appropriate an additional \$50 million per year through 2026. WETA will likely seek funding from the Electric or Low-Emitting Ferry Grant Program every year.</p>	<ul style="list-style-type: none"> • Work with Public Ferry Coalition members, organized labor, and other WETA advocates to seek additional funding through the annual appropriations process. • Engage directly with Congressional leadership and relevant Congressional committees. • Coordinate outreach to Congressional leadership and relevant Congressional Committees by members of the California Congressional delegation. • Work to identify future projects and work with the Congressional delegation to support WETA grant applications.
<p>Funding Opportunities Through Other Competitive Grant Programs</p> <p>The Infrastructure Investment and Jobs Act (IIJA) provides funding for various other transit grant programs for which WETA is eligible.</p>	<ul style="list-style-type: none"> • Identify possible projects for which to seek funding. • Develop coalitions of support for WETA grant applications.
<p>Funding for Emergency Response</p> <p>The Transit Security Grant Program is an annual competitive grant program through the Department of Homeland Security and the Federal Emergency Management Agency (FEMA) which funds transportation infrastructure security activities. WETA is an eligible recipient of this program.</p>	<ul style="list-style-type: none"> • Identify possible projects for which to seek FEMA grant program funding. • Develop coalitions of support for WETA grant applications.
<p>Avoiding Cuts to Transit Funding</p> <p>The "Rostenkowski" rule (Sec. 9503(e)(4) of the Internal Revenue Code of 1986) requires the Treasury secretary to withhold transit money from states and transit agencies if the amount of unfunded transit authorizations exceeds projected Highway Trust Fund receipts for the next four years. Waivers were needed in previous appropriations bills in order to avert cuts to transit programs. Funding included in the Infrastructure Investment and Jobs Act (IIJA) has likely addressed this issue in the near term.</p>	<ul style="list-style-type: none"> • Support legislation, as needed, to waive the Rostenkowski rule.

Legislative, Regulatory, and Administrative Issues	
Issue / Background	Strategy
<p>General</p> <p>Monitor legislation or regulatory action that will affect WETA's ability to provide ferry service, implement its program of projects, administration or funding from federal agencies.</p> <p>Take advantage of opportunities to reform or update existing regulations or processes that are outdated or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p>	<ul style="list-style-type: none"> • Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery. • Oppose efforts to impose unjustified and burdensome regulations or restrictions on the WETA's ability to conduct efficient transportation operations, administration, planning and project delivery efforts.
<p>Permitting</p> <p>Any WETA project on the water requires permits from numerous regulatory agencies. Several federal agencies review such permits sequentially and not concurrently, adding months and sometimes years to project timelines and associated cost for time spent managing the permit review process.</p>	<ul style="list-style-type: none"> • Analyze the time required to obtain permits from federal agencies on past WETA projects and determine the impact of delays on project completion. • Identify strategies to streamline the federal permitting review process. • Work with permitting agencies and the Congressional delegation to seek resolution of specific issues that are causing delay to important projects.
<p>U.S. Department of Labor Section 13(c) Determination</p> <p>On October 28, 2021 the United States Department of Labor (USDOL) released a letter, nullifying their previous 2019 determination on the impact of PEPRA on collective bargaining rights and prohibiting the further certification of federal transit grants owed to California transit agencies.</p> <p>The State of California, with support by the California Transit Association, secured temporary injunctive relief against implementation of the United States Department of Labor's October 28 determination, permitting federal transit grants to continue to flow to California transit agencies. As of the drafting of this program, this injunctive relief remains in place. WETA has not been previously impacted by this issue due to the agency having no represented public employees.</p>	<ul style="list-style-type: none"> • Support State and California Transit Association efforts to secure long-term relief to ensure FTA funding remains available to California agencies.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2023-02

APPROVE STATE AND FEDERAL LEGISLATIVE PROGRAMS FOR 2023

WHEREAS, staff has worked with WETA's state and federal legislative representatives, Shaw Yoder Antwih Schmelzer & Lange (Shaw-Yoder) and FBB Federal Relations/Lindsay Hart, LLP (FBB Federal Relations), respectively, to develop state, regional, and federal legislative programs for 2023; and

WHEREAS, these legislative programs were presented to the Board of Directors and establish the principles that will guide WETA's legislative and regulatory advocacy efforts during the calendar year; and

WHEREAS, adoption of these legislative programs will provide WETA's state and federal delegation and transportation partners with a clear statement of WETA's priorities and will provide a guide for WETA staff and consultants in carrying out WETA's legislative efforts; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves the state and federal legislative programs for 2023 included as attachments to the Staff Report that accompanies this Resolution.

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 January 12, 2023.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2023-02

END

MEMORANDUM

TO: Board Members

FROM: Kevin Connolly, Planning & Development Manager
Michael Gougherty, Principal Planner
Gabriel Chan, Transportation Planner

SUBJECT: Adopt Final WETA FY2024–2028 Short Range Transit Plan

Recommendation

Adopt final WETA FY2024–2028 Short Range Transit Plan.

Background

The Metropolitan Transportation Commission (MTC), in cooperation with Region IX of the Federal Transit Administration (FTA), requires each transit operator receiving federal transit funding to prepare, adopt, and submit a Short Range Transit Plan (SRTP) outlining its public transit services and related operating and capital costs and projects over a 10-year projection period. These plans are used, amongst other things, to verify compliance with various federal requirements and to validate system capital rehabilitation and replacement projects and needs submitted for funding through separate MTC and FTA grant processes.

In June 2020, WETA adopted its most recent SRTP for FY2020 through FY2028. While SRTPs are typically updated every four years on different cycles for small and large operators, MTC is transitioning to a single update cycle, which will result in an earlier update for some operators, including WETA. MTC has also revised its guidance for preparing SRTPs in response to the COVID-19 pandemic, which has significantly impacted transit operations, ridership, and revenues. The decrease in ridership, changes in travel patterns and uncertainties in farebox revenues have created enormous planning and operational challenges for Bay Area transit operators, especially as transit operators spend down their COVID-19 federal relief funds. In response, MTC has narrowed the scope of the SRTP to a five-year planning horizon (FY2024 to FY2028) that focuses on service and financial planning.

Unlike previous SRTPs, this revised approach includes scenario planning, which asks operators to consider how service plans might be adapted under different revenue scenarios. This reduction in the scale of the deliverables is intended to facilitate the development of a more narrowly focused SRTP for this planning cycle on a shorter timeline than has been required for traditional SRTPs. Deliverables include a data response template, specific revenue forecasts, and a brief supporting narrative document. A first draft of the 2022 SRTP was submitted to MTC, pursuant to its deadline. In November 2022, the Board authorized release of the draft SRTP for a 30-day public comment period.

Discussion

Pursuant to Board authorization, staff released the FY2024–2028 SRTP for public comment from November 11 to December 12, 2022 and posted the document on both the WETA website and WETA social media channels. In addition, staff notified the congestion management agencies within WETA's service area that the draft SRTP was available for review and comment.

Staff made only minor changes to the SRTP since the November WETA Board meeting. These include:

- Change of the document title to reflect the horizon years of the SRTP
- Addition of language mandated by MTC
- Clarification of the impact of fare increases on service levels

Staff also analyzed the impact of increasing fares to pre-pandemic levels. Our projection concluded that reverting to pre-pandemic fares would result in a 17% increase in fare revenue and an 8% decrease in ridership. While significant, the additional revenue from fares would not be enough to offset expected deficits in FY2025 and beyond in the “fiscal cliff” planning scenario. WETA would still need to cut service by up to 33% beginning in FY2025 to balance its budget.

The SRTP received no comments from the public or from the congestion management agencies. Comments and suggestions from MTC and the WETA Board have been addressed and incorporated into the final document. Pending Board adoption, the final WETA FY2024-2028 SRTP will be submitted to MTC in compliance with regulatory requirements.

END

Attachment A – WETA FY2024–2028 Short Range Transit Plan



San Francisco Bay Ferry

A SERVICE OF WETA

WETA FY2024 – 2028 SHORT RANGE TRANSIT PLAN

Prepared by Gabriel Chan
Chan@watertransit.org

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Executive Summary

In January 2013 the San Francisco Bay Area Water Emergency Transportation Authority (WETA) adopted its first SRTP, setting forth an operating and capital improvement plan for FY12 to FY22. In February 2016 WETA updated its ten-year SRTP for FY16 to FY25. The most recent SRTP document presented the operating plan for the ten-year period from FY20 to FY29. The current document represents a restructuring of the SRTP with a shorter planning horizon (FY24-FY28) given the significant changes in our region from the COVID-19 pandemic.

For WETA, funding from farebox recovery and Regional Measure 3 (RM3) are critical to the ongoing operation of ferry service on San Francisco Bay. In any scenario where either fare or RM3 revenues are significantly lower, the agency will likely have to make service cuts and defer currently planned expansion services within the SRTP's planning horizon. This report discusses the potential budget and service delivery impacts under three different planning scenarios of varying revenue levels set forth by MTC. Additionally—given the importance of RM3 funding for ferry operations—WETA has prepared an extra fourth “Fiscal Cliff” scenario that details the potential service impacts for the agency without RM3 funding.

This document is for regional planning purposes only. WETA's own revenue and ridership projections are subject to future changes.

The preparation of this report has been funded in part by a grant from the U.S. Department of Transportation (DOT) through section 5303 of the Federal Transit Act. The contents of this SRTP reflect the views of the San Francisco Bay Area Water Emergency Transportation Authority (WETA), and not necessarily those of the Federal Transit Administration (FTA) or MTC. WETA is solely responsible for the accuracy of the information presented in this SRTP.

Background

Purpose

The COVID-19 pandemic has significantly impacted transit operations, ridership, and revenues. The decrease in ridership, changes in travel patterns and uncertainties in farebox revenues have created enormous planning and operational challenges for Bay Area transit operators. As transit operators spend down their COVID-19 federal relief funds, MTC has adopted a revised approach that narrows the scope of the SRTP to a five-year planning horizon focused on service and financial planning.

Unlike previous SRTPs, this revised approach will also include scenario planning, which asks operators to consider how service plans might be adapted under different revenue planning scenarios. This reduction in the scale of the deliverables is intended to facilitate the development of a more narrowly focused SRTP for this planning cycle on a much shorter timeline than has been required for previous SRTPs. Deliverables include a data response template, specific revenue forecasts, and a brief supporting narrative document.

Planning Scenarios

WETA considered four different revenue planning scenarios in this SRTP. Scenarios 1, 2, and 3 are required by MTC. WETA staff later added a fourth fiscal cliff scenario to reflect the uncertainty surrounding Regional Measure 3 funds—a significant operating funding source for the agency.

1. **Robust Recovery.** 100% of ridership and revenue escalated from pre-pandemic. Does not assume proportionate recovery among all revenue sources.
2. **Revenue Recovery, with Fewer Riders.** Non-farebox funds recover to 100%. Farebox revenue remains at 20-50% of pre-pandemic. Federal relief funds exhausted.
3. **Some Progress.** Total revenue for the agency remains at 85% of pre-pandemic. Federal relief funds exhausted.
4. **Fiscal Cliff.** Ridership recovers to 85% of pre-pandemic. Regional Measure 3 funds are unavailable. Federal relief funds exhausted.

Outreach

WETA conducted a 30-day outreach process to ensure that the public and key stakeholders could make comments and suggestions on the draft SRTP. The draft document was available for public comment between November 11th, 2022 and December 12th, 2022. The full document was made available on the WETA website as well as through WETA's social media channels. In addition to public outreach, staff requested comments and review from the WETA Board of Directors as well as the various congestion management agencies (CMAs) within WETA's service area. WETA staff submitted the final draft to MTC with WETA Board approval in January 2023.

Data Request

Fields and Categories

Along with this report, WETA is submitting the data template (attachment A). The following fields are included for pre-pandemic (FY19), current (FY23), three MTC revenue scenario projections (FY24-28), and fourth “Fiscal Cliff” scenario that excludes RM3:

- Revenue Vehicle Hours
- Revenue Vehicle Miles
- Number of Routes Operated
- Total Route Miles
- Ridership
- Total Operating Budget
- Total Revenue Vehicles
- Vehicles Required for Maximum Service
- Employees

Assumptions

Given the significant uncertainty surrounding revenues and funding in the next five years, WETA staff made some assumptions during the scenario planning and projection process. They include the following:

1. **WETA’s assumed operating costs are for “Full Service” on existing and planned expansion routes.** This is consistent with the ongoing 2050 WETA Business Plan effort. Scenario 4 operating costs assume that the only expansion service that comes online is Treasure Island in FY26.

"Full Service"			
Route	Year	Weekday	Weekend
Alameda Harbor Bay	Existing	yes - peak only	no
Alameda Seaplane Lagoon	Existing	yes - peak only	no
Oakland/Alameda	Existing	yes	yes
Richmond	Existing	yes	yes
South San Francisco	Existing	yes - peak only	no
Vallejo	Existing	yes	yes
Pier 41	Existing	no	yes
Treasure Island	FY 2026	yes	yes
Mission Bay	FY 2026	yes	yes
Berkeley - SF	FY 2027	yes	yes
Berkeley - Larkspur	FY 2027	no	yes
Redwood City - SF	FY 2028	yes - peak only	no
Redwood City - Oakland	FY 2028	yes - peak only	no

2. **WETA will have \$21 million in federal relief funds remaining for FY24.** This is subject to change depending on FY23 actual costs. Fuel is a large expense for the agency, and prices have been especially unpredictable in recent months.

3. **Regional Measure 3 funds are available starting in FY25 for scenarios 1, 2, and 3.** Regional Measure 3 is currently being litigated and the funds are unavailable pending a California Supreme Court decision on the case. For planning purposes, WETA assumes that \$35 million in RM3 money will be available starting in FY25 in scenarios 1, 2, and 3. Scenario 4 assumes that RM3 is struck down and there are no funds available.
4. **WETA fleet and system expansion proceeds on schedule for scenarios 1, 2, and 3.** WETA's projections assume that the agency's capital program proceeds on budget and on schedule—increasing the fleet to 26 boats and opening four new terminals through FY28. Due to the significant funding gaps in scenario 4 without RM3 funds, we assume that fleet expansion stalls and the agency is only able to launch FY26 Treasure Island service.

Pre-Pandemic State of Service FY19

Overview

Before the pandemic, WETA operated five (5) routes on San Francisco Bay—Alameda/Oakland, Harbor Bay, Vallejo, South San Francisco, and Richmond—with a fleet of 15 vessels in service. WETA also provided additional seasonal special event service to Oracle Park and Chase Center from the East Bay on select event days. The bulk of ferry service was focused on commute trips during the weekday peak periods in the morning and evening with less weekend and off-peak service.

Service and Ridership by Route

Alameda/Oakland

The Alameda/Oakland provided all-day weekday and weekend service between the Alameda Main Street and Oakland terminals in the East Bay and the downtown San Francisco Ferry Terminal and San Francisco Pier 41 Terminal. Local “Short Hop” service was provided between Alameda and Oakland and between downtown San Francisco and Pier 41. Special event service was provided to Oracle Park/China Basin terminal for select San Francisco Giants games and other events. Special event service for select Warriors games and concerts from Alameda/Oakland to a temporary facility at Pier 48 1/2 near the Chase Center began in late 2019. The Alameda/Oakland service had an annual ridership of approximately 1,384,000 in FY19.

Harbor Bay

The Alameda Harbor Bay Ferry Service provided commute-only weekday service between the Alameda Harbor Bay Terminal and the downtown San Francisco Ferry Terminal. A pilot program for weekday commute service between Alameda Harbor Bay and the South San Francisco Terminal occurred in 2018. The Alameda Harbor Bay service had an annual ridership of approximately 355,700 in FY19.

Vallejo

The Vallejo service provided all-day weekday and weekend service between Mare Island, Vallejo terminal, downtown San Francisco Ferry Building and San Francisco Pier 41 terminal. Local “Short Hop” service was provided between downtown San Francisco and Pier 41 and between Mare Island and Vallejo. Special event service was provided to Oracle Park/China Basin for select San Francisco Giants games and other events. The Vallejo service had an annual ridership of approximately 1,078,000 in FY19.

Richmond

The Richmond Ferry Service was launched by WETA in January 2019; it provided commute-only weekday service between the Richmond terminal and the downtown San Francisco Ferry terminal. In August 2019, WETA added a summer weekend pilot service between the Richmond terminal and the downtown San Francisco Ferry Terminal. The Richmond service had a ridership of approximately 200,300 during its first twelve months of operation.

South San Francisco

The South San Francisco Ferry Service provided commute-only weekday service between the Alameda Main Street and Oakland terminals in the East Bay and the South San Francisco terminal at Oyster Point. The limited midday service between the South San Francisco terminal and downtown San Francisco Ferry terminal was discontinued in 2018 due to low ridership. The South San Francisco service had an annual ridership of approximately 142,400 in FY19.

Pre-Pandemic Fare Chart

	Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo	Richmond
One-Way	Standard	Standard	Standard	Standard	Standard
Adult	\$7.20	\$7.50	\$9.40	\$15.10	\$9.30
Adult (Clipper Only)	\$5.40	\$5.60	\$8.10	\$11.30	\$7.00
Youth (5-18 yrs.)	\$3.60	\$3.70	\$4.70	\$7.50	\$4.60
Senior/Disabled/Medicare (65+ valid ID) ¹	\$3.60	\$3.70	\$4.70	\$7.50	\$4.60
Children (under 5 with paying adult)	Free	Free	Free	Free	Free
School Groups ²	\$2.40	\$2.50	\$3.10	\$5.00	\$3.10
Short Hop - Adult ³	\$1.70	N/A	\$1.70	\$1.70	N/A
Short Hop - Youth/Senior/Disabled ³	\$0.80	N/A	\$0.80	\$0.80	N/A
Monthly Pass	N/A	N/A	N/A	\$388.00	N/A
Oracle Park/Chase Center Event Services (one-way)	Special ⁴	No Service	No Service	Special ⁵	No Service
Adult	\$9.60	N/A	N/A	\$15.90	N/A
Youth (5-18 yrs.)	\$7.20	N/A	N/A	\$11.80	N/A
Senior/Disabled/Medicare (65+ valid ID) ¹	\$7.20	N/A	N/A	\$11.80	N/A
Children (under 5 with paying adult)	Free	N/A	N/A	Free	N/A

¹. Seniors, persons with disabilities and Medicare cardholders may ride at a discount if they hold a Regional Transit Connection Discount Card, Medicare card, DMV Disabled Placard ID, or proof of age 65 or older.

². To qualify, school groups must call (415) 705-8214 for advance approval and reservations.

³. One-way between Oakland and Alameda or between the SF Ferry Building and Pier 41 or between Mare Island and Vallejo.

⁴. Service between Oracle Park and Alameda-Oakland. Also, service between Chase Center and Alameda-Oakland began in October 2019.

⁵. Service between Oracle Park and Vallejo. There is no service between Chase Center and Vallejo.

Current State of Service FY23

Overview

With the opening of the new Alameda Seaplane terminal in July 2021, WETA now operates six regional routes—Alameda & Oakland, Alameda Seaplane, Harbor Bay, Vallejo, Richmond, and South San Francisco. The Alameda Seaplane, Harbor Bay, and South San Francisco routes are weekday-only services. In addition to the regional routes, WETA continues to offer short hop services between Vallejo & Mare Island, Alameda Main St. & Oakland, and on weekends between Downtown San Francisco & Pier 41. With the return of in-person events at Oracle Park and Chase Center in 2021, WETA has also resumed its reservation-based special event services.

WETA's fleet expansion program is ongoing, and the agency is in the process of procurement and construction of four new Dorado-class vessels—the first of which began revenue service in May 2022. The remaining three vessels will enter revenue service over the course of FY23 and FY24.

Service and Ridership by Route

Alameda Main St. & Oakland

Terminals	Service Hours	Total Transit Time	Typical Vessel Capacity	Total Ridership FY22
Oakland Alameda Main Street Downtown San Francisco Ferry Terminal	Weekdays: 6:30am – 9:10pm Weekends: 8:30am – 9:40pm	40 minutes	400	479,196

Alameda Seaplane

Terminals	Service Hours	Total Transit Time	Typical Vessel Capacity	Total Ridership FY22
Alameda Seaplane Lagoon Downtown San Francisco Ferry Terminal	Weekdays: 6:30am – 10:20pm	20 minutes	400	145,786

Harbor Bay

Terminals	Service Hours	Total Transit Time	Typical Vessel Capacity	Total Ridership FY22
Alameda Harbor Bay Downtown San Francisco Ferry Terminal	Weekdays: 6:30am – 6:40pm	25 minutes	330	113,207

Vallejo

Terminals	Service Hours	Total Transit Time	Typical Vessel Capacity	Total Ridership FY22
Mare Island Vallejo Downtown San Francisco Ferry Terminal	Weekdays: 5:15am – 8:00pm Weekends: 9:00am – 8:50pm	60 minutes	445	484,686

Richmond

Terminals	Service Hours	Total Transit Time	Typical Vessel Capacity	Total Ridership FY22
Richmond Downtown San Francisco Ferry Terminal	Weekdays: 6:30am – 8:25pm Weekends: 9:50am – 8:10pm	35 minutes	400	158,986

South San Francisco

Terminals	Service Hours	Total Transit Time	Typical Vessel Capacity	Total Ridership FY22
Alameda Main Street Oakland South San Francisco	Weekdays peak only: 6:05am – 8:00am; 3:20pm – 5:20pm	60 minutes	225	24,075

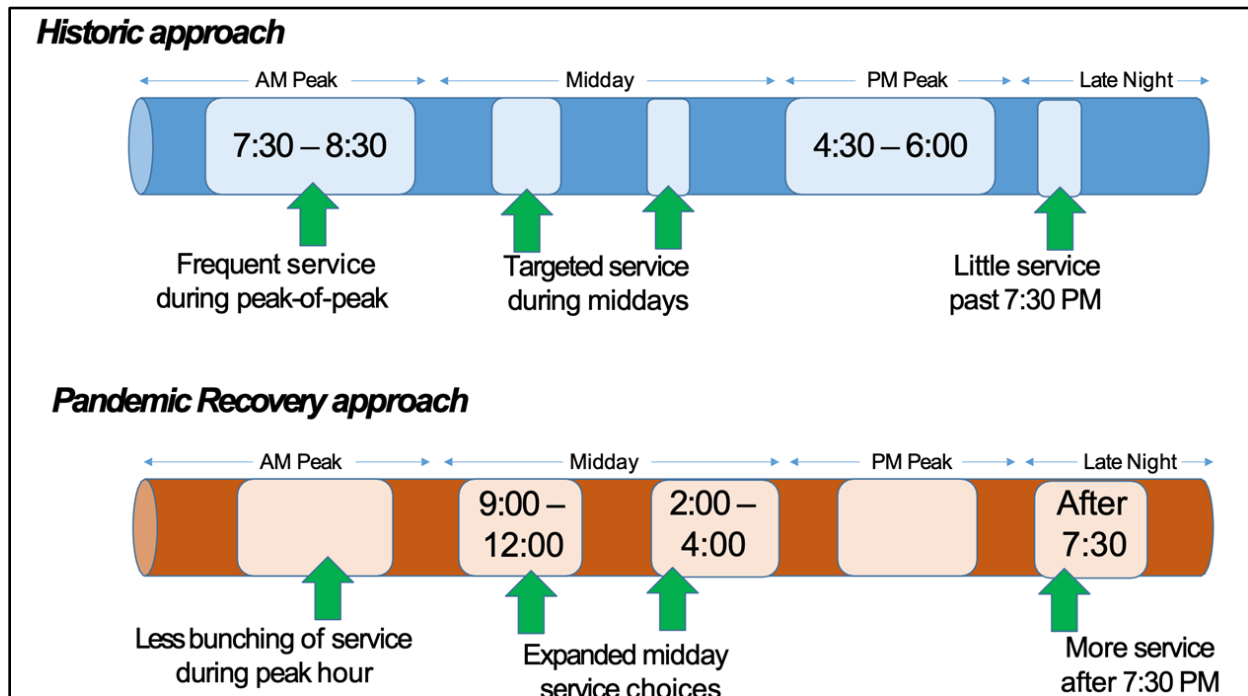
Pandemic Recovery Program (PRP)

Before the COVID-19 pandemic, WETA fare revenue covered approximately half of all operating costs—one of the highest farebox recovery rates in the nation. The agency was largely successful in achieving its financial sustainability and ridership goals by offering a premium commute service across the Bay—appealing to riders willing to pay a higher fare in exchange for avoiding traffic congestion on the Bay Bridge or crush loads on BART trains. The booming regional economy with high employment rates and congestion helped bolster demand for WETA’s services.

Shelter-in-place orders and remote work arrangements during the pandemic resulted in significant ridership and fare revenue loss. Even though WETA received relief funds from the federal government, the agency could not rely on these funds for continued financial viability. As the economy began to recover in 2021, WETA proposed the Pandemic Recovery Program (PRP) to entice riders back on the ferry using 13 guiding principles:

- 1) Proceed with phased service increases throughout the WETA system in FY2022, to reflect the continued return to in person work and restart of the Bay Area regional economy.
- 2) Set fares to be competitive with comparable regional transit options.
- 3) Work with other transit operators in the Bay Bridge corridor to explore coordinated fare strategies.
- 4) Develop programs and initiatives that complement and reinforce the goals of the Clipper START program, to expand access to the ferry for disadvantaged communities and to enhance equity.
- 5) Pursue options for enhancing service outside of traditional peak periods. WETA recognizes that off-peak service can make the system more relevant for transit dependent riders with travel patterns not oriented around traditional office work schedules.
- 6) Develop service schedules that could ultimately be expanded to achieve the goals of 15- and 30-minute frequencies systemwide.
- 7) Adapt fare products, fare media, and fare payment processes to reflect shifts in work schedules, travel patterns, and passenger expectations.
- 8) Prioritize ridership growth and acknowledge that systemwide and route-specific farebox recovery targets are unlikely to be met during recovery.
- 9) Improve and encourage better connectivity to local bus service and other feeder services, preserve and expand transfer incentives with local bus services and other first/last mile modes, and coordinate schedules with local operators.
- 10) Explore pilot programs and trial initiatives that may encourage ridership and broaden ferry service to a wider cross section of riders.
- 11) Deliver more for less by maximizing the efficiency of crews, overall system service design, and strategic deployment of vessels.
- 12) Be flexible and continually monitor performance to adjust and modify as demand shifts over time.
- 13) Commit to transparent communication with WETA riders, stakeholders, peer transit operators, and the public.

The plan culminated in expanded service offerings especially in the off-peak periods, evenings, and weekends in response to changing travel patterns.



The PRP also lowered fares on all routes to incentivize the return of riders to the system, accommodate expected changes in travel patterns, and attract a new, more diverse ridership base. The program was approved as a one-year temporary program and implemented in July 2021. The PRP has been extended through FY23 at which point the Board of Directors will revisit the program.

Current Fare Chart

	Alameda Seaplane	Alameda/Oakland	Alameda Harbor Bay	South San Francisco	Vallejo	Richmond	Short Hop ³
One-Way	Standard	Standard	Standard	Standard	Standard	Standard	Standard
Adult	\$5.75	\$5.75	\$5.75	\$8.50	\$11.25	\$5.75	\$1.25
Adult (Clipper Only)	\$4.50	\$4.50	\$4.50	\$6.75	\$9.00	\$4.50	\$1.00
Youth (5-18 yrs.)	\$2.25	\$2.25	\$2.25	\$3.24	\$4.50	\$2.25	\$0.50
Senior/Disabled/Medicare (65+ valid ID) ¹	\$2.25	\$2.25	\$2.25	\$3.24	\$4.50	\$2.25	\$0.50
Children (under 5 with paying adult)	Free	Free	Free	Free	Free	Free	Free
School Groups ²	\$1.75	\$1.75	\$1.75	\$2.75	\$3.50	\$1.75	N/A

Monthly Pass	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oracle Park/Chase Center Event Services (one-way)	No Service	Special ⁴	No Service	No Service	Special ⁵	No Service	No Service
Adult	N/A	\$9.60	N/A	N/A	\$15.90	N/A	N/A
Youth (5-18 yrs.)	N/A	\$7.20	N/A	N/A	\$11.80	N/A	N/A
Senior/Disabled/Medicare (65+ valid ID) ¹	N/A	\$7.20	N/A	N/A	\$11.80	N/A	N/A
Children (under 5 with paying adult)	N/A	Free	N/A	N/A	Free	N/A	N/A

^{1.} Seniors, persons with disabilities and Medicare cardholders may ride at a discount if they hold a Regional Transit Connection Discount Card, Medicare card, DMV Disabled Placard ID, or proof of age 65 or older.

^{2.} To qualify, school groups must call (415) 705-8214 for advance approval and reservations.

^{3.} One-way between Oakland and Alameda or between the SF Ferry Building and Pier 41 or between Mare Island and Vallejo.

^{4.} Service between Oracle Park and Alameda-Oakland. Also, service between Chase Center and Alameda-Oakland began in October 2019.

^{5.} Service between Oracle Park and Vallejo. There is no service between Chase Center and Vallejo.

Route Changes

In conjunction with the PRP, WETA also launched service to the new Alameda Seaplane terminal in July 2021. The terminal infrastructure had been completed in 2020, but the launch of ferry service was deferred due to the ongoing COVID-19 pandemic. This new commuter route offers faster 20-minute travel times between the new Seaplane Lagoon terminal in Alameda and Downtown San Francisco. It also allows the agency to provide 25-minute nonstop service between Oakland and Downtown San Francisco on the reconfigured Oakland/Alameda route. With the new service configuration, Oakland customers are now able to travel to downtown San Francisco without stopping at Alameda Main Street. For Alameda customers, the new Alameda Seaplane route offers a faster trip to and from Downtown San Francisco.

No other major route changes occurred since the start of the pandemic in March of 2020.

Scenario Planning Analysis (FY 24-28)

Planned System and Fleet Expansion

WETA's capital program continues to move forward over the next five years with many significant growth milestones. The agency plans to open four new ferry terminals at Treasure Island (FY2026), Mission Bay (FY2026), Berkeley (FY2027), and Redwood City (FY2028) and expand the fleet from 16 to 26 vessels by FY28. However, in a scenario where RM3 funds are unavailable, some or all of these capital projects and procurements may be delayed until the agency identifies the necessary operating funds.

FY23 and FY24 Dorado-Class Vessels

Currently, WETA operates a fleet of 16 vessels. In May 2022, the first of the newest Dorado-class of vessels was added to the fleet. By spring 2023, the agency's fleet will grow to 17 after adding the remaining three Dorado-class vessels and retiring two aging boats at the end of their useful life.

FY26: Treasure Island

WETA plans to launch fully electric ferry service between Treasure Island and downtown San Francisco in FY2026. This service will initially add one new electric ferry to the fleet with additional vessels added as early as 2030—bringing the total to 18 boats.

FY26: Mission Bay

Before the pandemic, there were plans to open a ferry terminal at Mission Bay in San Francisco to serve the rapidly growing neighborhood, Chase Center arena, and UCSF. While the pandemic put plans for revenue ferry service on hold in 2020, WETA is now anticipating the launch of service to Mission Bay in FY2026.

FY27: Berkeley

By FY27, WETA plans to launch ferry service at a newly constructed terminal at the Berkeley marina with service to San Francisco and weekend service to Larkspur in Marin County. The project also includes construction and procurement of three new vessels—bringing the total fleet size to 21.

FY28: Redwood City

In the final year of the SRTP planning horizon, WETA expects to launch service at a new Redwood City terminal with service to San Francisco and to Oakland in the East Bay. This service will add five boats and bring the total fleet size to 26.

Projected Service Impacts

	Revenues		% Full Service Delivery				
	Ridership	Other Revenues	FY24	FY25	FY26	FY27	FY28
Scenario 1	100%	100%	100%	100%	100%	100%	100%
Scenario 2	50%	100%	91%	100%	100%	100%	84%
Scenario 3	85%	85%	96%	100%	100%	100%	91%

Scenario 1: “Robust Recovery” – 100% ridership, 100% other revenue

In Scenario 1, staff assumes that WETA recovers 100% of ridership from pre-pandemic projections. This would result in just over 7 million annual riders by FY28. Since WETA generally has a high farebox recovery rate, this scenario is the most optimistic with a significant increase in fare revenue. The remaining federal relief funds are sufficient to maintain current service in FY24 with RM3 replacing that source in FY25 and beyond. WETA can operate 100% of current and planned expansion service for the entire planning horizon until FY28 under this revenue scenario.

Scenario 2: “Revenue Recovery, with Fewer Riders” – 50% ridership, 100% other revenue

In Scenario 2, ferry ridership stagnates at about 50% of pre-pandemic projections for the entire duration of the planning horizon. In FY24, the agency can expect an operating shortfall of about \$5.4 million as it spends down the remaining federal relief funds. With 50% of pre-pandemic fare revenue under this scenario, WETA can only deliver about 91% of the current level of service in FY24. Once RM3 funds become available starting in FY25, the agency can operate 100% of current service and planned expansion service for three years through FY27. However, by FY28 without ridership recovery beyond 50%, the resulting farebox revenue is not enough to run full Berkeley and Redwood City service. WETA may need to cut service systemwide by up to 16% in FY28.

Since fare revenue is such a large revenue source for WETA’s operations, this scenario presents the most pessimistic projection of the three scenarios.

Scenario 3: “Some Progress” – 85% ridership, 85% other revenue

Scenario 3 assumes all revenue sources (including ridership) recover to 85% of pre-pandemic projections. Under this scenario, WETA can deliver 96% of full service in FY24, 100% in FY25-27, and 91% in FY28. This scenario is a more modest service and budget impact compared to scenario 2, but it would still pose a challenge for the agency in the medium and longer term.

Scenario 4: “Fiscal Cliff” – 85% ridership, 85% other revenue, no RM3 funds

	Revenues		% Existing + FY26 Treasure Island Service Delivery				
	Ridership	Other Revenues	FY24	FY25	FY26	FY27	FY28
Scenario 4	85%	85% & no RM3	96%	62%	68%	71%	75%

Scenario 4 assumes ridership recovers to 85% of pre-pandemic projections. It also assumes non-farebox revenues are at 85% of pre-pandemic levels and Regional Measure 3 is struck down in the California Supreme Court. RM3 is a critical operating funding source for WETA’s planned expansion services at Mission Bay, Berkeley, and Redwood City. Under this scenario, we assume that WETA is unable to launch these planned expansion services. Instead, the agency can only operate the existing network on a reduced schedule with Treasure Island service (starting in FY26) for the entire planning horizon.

Without RM3 to replace spent down federal relief funds, WETA would face significant operating funding challenges starting in FY25. The agency would have to cut service by almost 40%. This may include eliminating weekday midday service, weekend service, and potentially entire routes. Even though the effect on ridership growth with such a large service cut is difficult to predict, this scenario is optimistic and assumes that ridership continues to grow on pace with projections used in the WETA Business Plan. By FY28, the projected growth in ridership only allows WETA to restore service back to 75% of the network.

Conclusion

While MTC’s pre-determined revenue scenarios are an effective way to standardize the different SRTTP documents in the Bay Area region, none of the three are necessarily reflective of the most likely future for WETA. Scenario 1 is overly optimistic and assumes a full return to pre-pandemic transit ridership and operating funding. In contrast, scenario 2 is overly pessimistic and assumes ridership stagnates through FY28 at 10-30% below current levels. Scenario 3 is more likely with 85% of transit ridership recovery, but it underestimates the other operating revenue sources for the agency. For this reason, the most likely future for WETA falls somewhere between scenarios 1 and 3. Additionally, given the importance of Regional Measure 3 funds to WETA’s operating budget, staff have prepared a fourth “Fiscal Cliff” scenario. This scenario mirrors the assumptions made in scenario 3 but excludes RM3 funds.

Regardless of the revenue scenario, these projections highlight the ongoing importance of farebox revenue for WETA. In the near-term, the remaining federal funds are not sufficient to deliver 100% of our current service in FY24 without robust ridership recovery. If ridership recovery follows scenario 2 and stagnates at 50%, WETA would face a \$5.4 million operating shortfall in FY24. Scenario 3 would result in a \$2 million shortfall. Scenario 4 would result in a \$22 million shortfall in FY25. Preliminary analysis of raising fares to pre-pandemic levels show that the nominal increase in fare revenue is not enough to erase the expected deficits through FY28.

This scenario planning exercise has illuminated the funding challenges transit operators face for the next five years. Despite this, WETA is prepared to use the tools at its disposal to address a potential future operating shortfall—including raising fares, cutting service, dipping into reserves, and pursuing other funding sources.

Attachment A. Data Request Template

	Prepandemic	Current	SRTP Planning Horizon - Scenario 1				
Data Category (Annual amounts)	FY19	FY23	FY24	FY25	FY26	FY27	FY28
Revenue Vehicle Hours	21,487	23,940	23,940	23,940	31,440	36,440	41,440
Revenue Vehicle Miles	436,950	490,908	490,908	490,908	644,701	747,230	849,759
Number of Routes Operated	5	6	6	6	8	10	12
Total Route Miles	69	76	76	76	81	97	142
Ridership	3,048,733	1,951,550	3,240,000	3,665,000	4,691,000	6,002,000	7,151,500
Operating Budget	\$42,051,295	\$58,311,508	\$57,613,218	\$59,341,614	\$67,076,838	\$79,550,824	\$100,434,398
Total Revenue Vehicles	15	16	17	17	18	21	26
Vehicles Required For Max Service	15	16	17	17	18	21	26
Employees (Full Time Equivalent)	16	18	18	18	24	28	30

	Prepandemic	Current	SRTP Planning Horizon - Scenario 2				
Data Category (Annual amounts)	FY19	FY23	FY24	FY25	FY26	FY27	FY28
Revenue Vehicle Hours	21,487	23,940	21,714	23,940	31,440	36,379	34,613
Revenue Vehicle Miles	436,950	490,908	445,270	490,908	644,701	745,973	709,756
Number of Routes Operated	5	6	6	6	8	10	12
Total Route Miles	69	76	76	76	81	97	142
Ridership	3,048,733	1,951,550	1,620,000	1,832,500	2,345,500	3,001,000	3,575,750
Operating Budget	\$42,051,295	\$58,311,508	\$52,257,071	\$59,341,614	\$67,076,838	\$79,417,050	\$83,887,234
Total Revenue Vehicles	15	16	17	17	18	21	26
Vehicles Required For Max Service	15	16	17	17	18	21	26
Employees (Full Time Equivalent)	16	18	17	18	24	28	27

	Prepandemic	Current	SRTP Planning Horizon - Scenario 3				
Data Category (Annual amounts)	FY19	FY23	FY24	FY25	FY26	FY27	FY28
Revenue Vehicle Hours	21,487	23,940	23,079	23,940	23,940	31,440	33,011
Revenue Vehicle Miles	436,950	490,908	473,243	490,908	490,908	644,701	676,922
Number of Routes Operated	5	6	6	6	8	10	12
Total Route Miles	69	76	76	76	81	97	142
Ridership	3,048,733	1,951,550	2,754,000	3,115,250	3,987,350	5,101,700	6,078,775
Operating Budget	\$42,051,295	\$58,311,508	\$55,540,082	\$59,341,614	\$67,076,838	\$79,550,824	\$90,984,341
Total Revenue Vehicles	15	16	17	17	18	21	26
Vehicles Required For Max Service	15	16	17	17	18	21	26
Employees (Full Time Equivalent)	16	18	18	18	18	24	25

Data Category (Annual amounts)	Prepandemic	Current	SRTP Planning Horizon - Scenario 4				
	FY19	FY23	FY24	FY25	FY26	FY27	FY28
Revenue Vehicle Hours	21,487	23,940	23,079	14,889	17,226	18,155	19,084
Revenue Vehicle Miles	436,950	490,908	473,243	305,315	333,895	351,887	369,910
Number of Routes Operated	5	6	6	6	7	7	7
Total Route Miles	69	76	76	76	78	78	78
Ridership	3,048,733	1,951,550	2,754,000	3,115,250	3,677,100	4,142,900	4,608,700
Operating Budget	\$42,051,295	\$58,311,508	\$55,540,082	\$36,906,867	\$44,000,770	\$47,762,848	\$51,715,529
Total Revenue Vehicles	15	16	17	17	18	18	18
Vehicles Required For Max Service	15	16	17	17	18	18	18
Employees (Full Time Equivalent)	16	18	18	18	18	18	18

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2023-03

ADOPT FINAL WETA FY 2024-2028 SHORT RANGE TRANSIT PLAN

WHEREAS, the Metropolitan Transportation Commission (MTC) requires each transit operator receiving federal funding through the Regional Transportation Improvement Program to prepare, adopt, and submit a Short-Range Transit Plan (SRTP) to MTC every four years in order to remain eligible to receive federal funding; and

WHEREAS, the SRTP is an operations and financial planning document based upon available information that is subject to ongoing review, evaluation, and modification as circumstances warrant; and

WHEREAS, the goals, objectives, and standards in an SRTP serve as a basis to verify compliance with various federal requirements and to validate system capital rehabilitation and replacement projects and needs submitted for funding through separate MTC and FTA grant processes; and

WHEREAS, WETA's last SRTP was completed in 2020, and WETA staff has prepared an updated SRTP for fiscal years 2024-2028; and

WHEREAS, WETA released the draft SRTP for public comment on November 11, 2022, and conducted a public hearing to receive public comments regarding the SRTP on January 12, 2023; and

WHEREAS, the attached SRTP fulfills Federal Transit Administration and MTC regulatory requirements to implement and inform the Regional Transportation Plan and the Transportation Improvement Program to qualify for federal and State funding; now, therefore, be it

RESOLVED, that the Board of Directors hereby adopts WETA's Short Range Transit Plan for Fiscal Years 2024-2028 and authorizes the Executive Director, or designee, to submit the Short Range Transit Plan to MTC.

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 January 12, 2023

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary
2023-02

END

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Kevin Connolly, Planning & Development Manager
Mike Gougherty, Principal Planner
Arthi Krubanandh, Transportation Planner

SUBJECT: Fiscal Year 2024 Fare Program

Recommendation

There is no recommendation associated with this informational item.

Background

The FY 2022 Pandemic Recovery Program was adopted by the Board in 2021 as the Bay Area began to emerge from the pandemic shutdown. The Program offered an opportunity for WETA to test an alternate approach for how it structures its fares and designs its services. On a limited term basis, the Program largely eliminated the premium associated with WETA fares relative to similar bus and rail modes as a strategy to expedite ridership recovery and enhance equity and access to the ferry. Last year, the Board extended the Program for up to one year through FY 2023 to provide additional time to monitor the results of the Program.

The impact of the Pandemic Recovery Program has been clear in terms of ridership recovery. Since the Program was implemented, WETA has outperformed other regional transit operators with 61 percent of pre-pandemic ridership compared with BART at 41 percent and Caltrain at 28 percent as of November 2022. In terms of the riders returning, 42 percent of passengers using WETA services are new riders who had not previously used the ferry before the pandemic.

The success of the Program in terms of enhancing diversity on WETA services has been less impactful but still indicates some progress. On one hand, the overall income distribution of WETA riders has not changed substantially from pre-pandemic trends and still skews disproportionately towards higher income riders. On the other hand, results indicate that a greater share of lower-income riders are traveling during weekends, the days during which ridership recovery has been most robust. Furthermore, the share of riders naming affordability as a reason from riding the ferry has more than doubled from 7% in 2017 to 18% as of this year.

In addition to meeting WETA's recovery and equity goals, the Pandemic Recovery Program has demonstrated WETA's leadership and commitment in promoting regional efforts to create more integrated and seamless fares among Bay Area transit operators, specifically as it relates to initiatives such as the Transit Transformation Action Plan set for the by the Blue Ribbon Transit Transformation Task Force, the Fare Coordination and Integration Study (FCIS) led by MTC and transit operators, and the next generation of the Clipper fare payment system (C2).

While the Pandemic Recovery Program was ultimately successful in terms of attracting new riders to the WETA system, a financial cost was incurred. Eliminating the premium associated with WETA fares ultimately reduced the estimated total fare revenue that would be received in FY 2023 by just over \$1 million. WETA was able to use available Federal COVID relief funds to cover the cost of the Program.

Discussion

Staff is seeking direction from the Board in terms of how to proceed with developing a fare program for FY 2024 and potentially future years, which would apply to both regular and special event fares. The current extension of the Pandemic Recovery Program is due to expire on June 30, 2023, at which point WETA would revert to its pre-pandemic fare structure unless additional direction is provided by the Board.

Option 1: Return to Pre-pandemic Fare Structure

WETA has the option to allow the Pandemic Recovery Program to expire and either automatically revert to the pre-pandemic fare structure or begin a public outreach process to pursue a new multiyear fare program consistent with the 2011 WETA Fare Policy.

Before the pandemic, WETA fare programs were developed based on the WETA Fare Policy adopted by the Board in 2011. That policy encourages developing and maintaining a system of fares that maximizes ridership with a counterbalance emphasizing maximizing farebox revenue. In general, this policy has supported the development of services that cater primarily to peak period weekday commuters that are willing to pay a premium fare for the ferry compared to similar bus and rail modes. As a result, prior to the onset of the COVID-19 pandemic, WETA recovered a relatively high portion of its operating cost through fares but served mostly higher-income riders.

The impact of returning to WETA's previous fare structure that pre-dated the Pandemic Recovery Program would likely include some loss of current riders and a slowdown in the rate of future ridership growth. However, there would likely be an overall increase in fare revenue and less operating subsidy required in future operating years.

Option 2: Continue Pandemic Recovery Program Fare Structure

During FY 2022 & 2023, the Pandemic Recovery Program has functioned in effect as WETA's fare policy and fare program and guided the development of the fare structure currently in place. To continue offering a similar fare structure, the Board could either extend this Program or initiate a process to make the components of the underlying fare policy permanent and propose a new multiyear fare program based on this policy.

While lower fares would likely continue attracting new riders to the system, offering a similar fares structure will probably result in lower farebox recovery ratios when compared with pre-pandemic fares and more operating subsidy required to support WETA services. Whereas in previous years this additional subsidy was covered by Federal COVID relief funds, those funds will no longer be available after FY 2024. The additional subsidy required to support lower fares would compound but not substantially alter the structural financial challenge or "fiscal cliff" that WETA will need to address in future years.

Special events: Continue practice of cost neutrality or change course

Special event fares for baseball and basketball games will be incorporated into any new fare program. While ridership for special events can vary widely from season to season, WETA has seen healthy patronage on special event services since the return of service. Currently, WETA strives for full cost-recovery on special event services. In other words, the fare ideally covers the expense of providing service to the events. Alternatively, it is possible that special event fares can be priced to produce a profit. The revenues would enhance WETA's overall farebox recovery and help keep regular ferry fares more affordable. The other side of the scale would be a special event fare that is priced lower and would require a subsidy like all other WETA services.

Next steps

If WETA desires to develop a new program to take effect by FY 2024 based on either Option 1 or 2 above, the following schedule would generally apply:

- February 2023: Present revised WETA Fare Policy for Board consideration (Option 2 only)
- March 2023: Present proposed fare program and request Board authorization to initiate public outreach process.
- April/May 2023: Hold Public Hearing on final updated WETA Fare Policy and fare program and request Board approval.
- May - June 2023: Coordinate with WETA vendors and Clipper staff to prepare for implementation of the new fare program.
- July 2023: Begin implementation of the new fare program.

Any new fare program proposed for Board consideration would include a detailed analysis of likely ridership and financial impacts.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END