Presentations for May 4, 2023 Board of Directors Meeting
Item 8: FY 2024-28 Fare Program
Fare Policy and FY2024-28 Fare Program Recap

• Fare Policy Update
  ➢ Captures core principles of Pandemic Recovery Program
  ➢ Directs current and future fare decisions

• FY2024-28 Fare Program
  ➢ Offset rising costs
  ➢ Special Events Fare Adjustment to fully recover operating costs
  ➢ Fare predictability for riders

Fare Policy Goals in Attachment 8A
Public Outreach

• Board Authorized Release for Public Input – March 2, 2023
• Public Comment Period started on March 3, 2023
  ➢ Signage on WETA Vessels, Bay Alerts
  ➢ Multiple languages
  ➢ Dedicated Webpage
  ➢ Virtual Events
  ➢ Media, Social Media Campaign
  ➢ Community Outreach

• Public Comment Takeaways
  ➢ Comments via email, social media (43)
  ➢ Fare change: Support – 31; Neutral – 3; Oppose - 9
## Proposed Revision

### Adult Clipper Fare

<table>
<thead>
<tr>
<th>Service</th>
<th>Current Fare</th>
<th>FY2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda Seaplane, Harbor Bay, Oakland &amp; Alameda, and Richmond</td>
<td>$4.50</td>
<td>$4.60</td>
<td>$4.70</td>
<td>$4.90</td>
<td>$5.00</td>
<td>$5.20</td>
</tr>
<tr>
<td>South San Francisco</td>
<td>$6.75</td>
<td>$7.00</td>
<td>$7.20</td>
<td>$7.40</td>
<td>$7.60</td>
<td>$7.90</td>
</tr>
<tr>
<td>Vallejo</td>
<td>$9.00</td>
<td>$9.30</td>
<td>$9.60</td>
<td>$9.90</td>
<td>$10.20</td>
<td>$10.50</td>
</tr>
</tbody>
</table>

**Summary of Fare Structure:**
- 25 percent surcharge fee for Paper Ticket fares same as Clipper and Mobile Fares
- 50 percent discount on Youth, Senior, and Disabled fares for Clipper and Paper Ticket fares
- 67 percent discount on School Groups by reservation only

**Fare Structure For All Routes in Attachment 8B**
Paper Ticket Surcharge Fees

• Goals
  ➢ Encourage riders to purchase electronic tickets
  ➢ Expedites Boarding Process and Improves Customer Experience
  ➢ Similar Practice Among Other Regional Transit Operators (GGBHD, Caltrain)

• Survey Data Findings
  ➢ 98% of WETA riders have access to smart phones
  ➢ Paper Tickets - 7% of total purchased tickets; of which 20% Low-Income riders

• Proposed Revision – Paper Ticket Fares same as Clipper and Mobile Fares
## Proposed Special Event Fares

### Adult Fare

<table>
<thead>
<tr>
<th>Service</th>
<th>Current Fare</th>
<th>FY2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oakland &amp; Alameda</td>
<td>$9.60</td>
<td>$10.50</td>
<td>$10.75</td>
<td>$11.25</td>
<td>$11.50</td>
<td>$11.75</td>
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<tr>
<td>Vallejo</td>
<td>$15.90</td>
<td>$18.25</td>
<td>$18.75</td>
<td>$19.25</td>
<td>$20.00</td>
<td>$20.50</td>
</tr>
</tbody>
</table>

### Summary of Fare Structure:
- Tickets available through Anchor System only
- 25 percent discount for Senior, Youth, and Disabled fares
Item 11: WETA Zero Emissions Plan
Zero Emission Plan

WETA Board of Directors

May 4, 2023
CEC Blueprint Objectives

Develop a plan to transition ferry operations on San Francisco Bay to zero-emission vessels

• How much power do we need?
• Where will it come from?
• When do we need it?
• How much will it cost?
• How do we pay for it?

Emphasis on the use of electric propulsion systems and resolving the technical and regulatory barriers for the shore side infrastructure
Alignment with Climate Goals

Services provided by WETA emit significantly fewer GHGs when operating as electric vessels vs. diesel vessels. Shown below are representative short- and medium-length routes.
Workflow

Stage 1
Baselining
Collect and process data on operations, vessels and terminals to define their constraints and opportunities

Stage 2
Optioneering
Develop solutions and assess their attributes and drawbacks to select optimal direction

Stage 3
Strategy
Lay out an actionable path to progress to procurement, design and delivery of electrified ferry service
Energy Demand

Optimal Timeline Used as Basis for Analysis

SF General Hospital  374 MWh/day
SF Central Library  22 MWh/day
Typical House  0.03 MWh/day
Terminal Demand & Capacities

Predicted ZEV Electrical Peak Demand & Batteries at Each Terminal vs. Grid Capacities

- Peak Power (w/o batteries)
- Peak Power (batteries)
Meeting Increased Demand

CURRENT CONDITION

Existing grid capacity meets current electrical demand.

ELECTRIFIED CONDITION

Existing grid capacity does not meet increased electrical demand in most terminal locations.
Shoreside Infrastructure Feasibility

Phase 1 – Inner Central Bay
- Treasure Island
- Mission Bay
- Ferry Building*

Phase 2 – Central Bay
- Berkeley
- Oakland
- Alameda
- Sea Plane
- Ferry Building

Phase 3 – Long Run Central Bay
- Richmond
- Harbor Bay
- Ferry Building
- South SF

- Planned Grid Upgrades
  Planned or existing grid capacity that is sufficient for electric ferries
- Requires Upgrades
  Local feeders found to have sufficient grid capacity on PG&E ICA mapping tool
- Requires Significant Upgrades
  New feeders or substation upgrade required with major cost and timeline implications

*Ferry building – minimal upgrades suffice in this first phase while only the highlighted routes are electrified
## Terminal Implementation

<table>
<thead>
<tr>
<th>Terminals</th>
<th>Utility Provider</th>
<th>Completion Year</th>
<th>Anticipated Stakeholders</th>
<th>Terminal Electrical Grid Infrastructure Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Low End Cost in Million $)</td>
</tr>
<tr>
<td>Downtown SF Terminal</td>
<td>SFPUC/PG&amp;E</td>
<td>2027</td>
<td>Port of SF</td>
<td>$2.70</td>
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<tr>
<td>Mission Bay</td>
<td>SFPUC/PG&amp;E</td>
<td>2028</td>
<td>Port of SF</td>
<td>$2.80</td>
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<tr>
<td>Treasure Island</td>
<td>SFPUC/PG&amp;E</td>
<td>2025</td>
<td>TIMMA/TIDG, SFCTA</td>
<td>$1.80</td>
</tr>
<tr>
<td>Main St. Alameda</td>
<td>AMP</td>
<td>2027</td>
<td>City of Alameda</td>
<td>$2.60</td>
</tr>
<tr>
<td>Alameda Seaplane</td>
<td>AMP</td>
<td>2027</td>
<td>City of Alameda</td>
<td>$2.80</td>
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<tr>
<td>Central Bay Maintenance Facility</td>
<td>AMP</td>
<td>2027</td>
<td>City of Alameda</td>
<td>$6.40</td>
</tr>
<tr>
<td>Oakland</td>
<td>PG&amp;E</td>
<td>2028</td>
<td>Port of Oakland</td>
<td>$2.50</td>
</tr>
<tr>
<td>Berkeley</td>
<td>PG&amp;E</td>
<td>2028</td>
<td>City of Berkeley</td>
<td>$2.50</td>
</tr>
</tbody>
</table>
Vessel Feasibility

Phase 1 – Inner Central Bay
1. Treasure Island
2. Mission Bay

Phase 2 – Central Bay
3. Oakland/Alameda
4. Seaplane
5. Berkeley

Phase 3 – Long Run Central Bay
6. Richmond
7. Harbor Bay
8. South SF

Phase 4 – Long Runs
9. Vallejo
10. Redwood City
11. Carquinez

Legend:
- Green: Feasible with Current Vessel Technology
- Yellow: Feasible with Current Vessel Technology - Operational Changes Required
- Orange: Feasible with Current Vessel Technology - Significant Operational Changes Required
- Red: Not Currently Feasible – TBD Future Technology Required
Terminal Energy Storage
San Francisco Ferry Building

A float battery charging system can be successfully deployed at the S.F. terminal, saving the local utility grid an additional ~4MW of peak electrical demand.
Fleet Electrification Schedule

Optimal Timeline Used as Basis for Analysis

Optimal Implementation

Conservative Implementation

No. of Vessels

Diesel Vessel

Battery Electric Vessel

TBD (Future Technology, Alternative Fuel, Hydrogen)
## Vessel Implementation

<table>
<thead>
<tr>
<th>Vessel</th>
<th>Primary Service</th>
<th>Completion Year</th>
<th>Estimated Cost</th>
<th>Funding Source</th>
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</thead>
<tbody>
<tr>
<td>300E #1</td>
<td>Seaplane</td>
<td>2026</td>
<td>$19</td>
<td>FTA Replacement Funds: Intintolli</td>
</tr>
<tr>
<td>300E #2</td>
<td>Seaplane</td>
<td>2027</td>
<td>$19</td>
<td>FTA Replacement Funds: Mare Island</td>
</tr>
<tr>
<td>149E #5</td>
<td>Berkeley</td>
<td>2027</td>
<td>$8</td>
<td>TBD</td>
</tr>
<tr>
<td>Hydrus Repower</td>
<td>Oakland/Alameda</td>
<td>2027</td>
<td>$9</td>
<td>TBD</td>
</tr>
<tr>
<td>149E #4</td>
<td>Berkeley</td>
<td>2028</td>
<td>$8</td>
<td>TBD</td>
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<tr>
<td>Cetus Repower</td>
<td>Oakland/Alameda</td>
<td>2028</td>
<td>$9</td>
<td>TBD</td>
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<tr>
<td>Argo Repower</td>
<td>Oakland/Alameda</td>
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<td>$9</td>
<td>TBD</td>
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<tr>
<td>Carina Repower</td>
<td>Seaplane</td>
<td>2030</td>
<td>$9</td>
<td>TBD</td>
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<tr>
<td>149E #1</td>
<td>Treasure Island / Mission Bay</td>
<td>2025</td>
<td>$8</td>
<td>FTA</td>
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<tr>
<td>149E #2</td>
<td>Treasure Island / Mission Bay</td>
<td>2025</td>
<td>$8</td>
<td>TIRCP</td>
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<tr>
<td>149E #3</td>
<td>Treasure Island / Mission Bay</td>
<td>2025</td>
<td>$8</td>
<td>TIRCP</td>
</tr>
</tbody>
</table>
Opportunity for Operating Cost Savings

Terminal electricity consumption was converted to equivalent diesel fuel use in the table below.

<table>
<thead>
<tr>
<th>Terminal</th>
<th>Consumption (GWh/yr)</th>
<th>Diesel Fuel Use Abated (Thousands of Gallons)</th>
<th>Equivalent Cost of Fuel: Worst Case Electricity Tariffs ($/gal Equivalent)</th>
<th>Equivalent Cost of Fuel: 30% Demand Charge Reduction with BESS ($/gal Equivalent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.F. Downtown</td>
<td>27.6</td>
<td>1840</td>
<td>5.54</td>
<td>4.29</td>
</tr>
<tr>
<td>Treasure Island</td>
<td>3.1</td>
<td>210</td>
<td>4.25</td>
<td>3.43</td>
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<tr>
<td>Oakland</td>
<td>8.7</td>
<td>580</td>
<td>7.76</td>
<td>6.26</td>
</tr>
<tr>
<td>Alameda Seaplane</td>
<td>7.1</td>
<td>470</td>
<td>3.42</td>
<td>2.99</td>
</tr>
</tbody>
</table>
Implementation

- Grants secured: $94.1 million
- Positive outlook for future grants
- Alignment with WETA Business Plan, RM3 Five-Year Plan
- On-Going Work Program
  - Downtown San Francisco Terminal Electrification
  - Alameda Facilities Local Grid Extensions
  - Vessel Construction
  - Passenger Float Battery and Charging System Design
Item 12: Proposed FY24 Budget
FISCAL YEAR 2023/24 BUDGET PRESENTATION

Board of Directors Meeting
May 4, 2023
BUDGET ACTIONS

• May meeting
  ➢ Presentation and Review of Draft

• June meeting: Approval of Fiscal Year 2023/24 Budget
  ➢ Includes required resolutions
  ➢ Authorizations for funding agencies
## Expense Authorization: $143.4 million

### FY 2023/24 Proposed Budget (in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
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</thead>
<tbody>
<tr>
<td>Operating Budget Expenditures</td>
<td>$68.4</td>
</tr>
<tr>
<td>Ferry Service (Ongoing)</td>
<td>61.7</td>
</tr>
<tr>
<td>Demonstration Services</td>
<td>2.7</td>
</tr>
<tr>
<td>Planning and Administration</td>
<td>3.9</td>
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<tr>
<td>Capital Projects</td>
<td>75.0</td>
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<tr>
<td><strong>Total Budget Expense</strong></td>
<td><strong>$143.4</strong></td>
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</table>
## FY 2023/24 Revenues
(in millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridge Tolls</td>
<td>$45.7</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>53.5</td>
</tr>
<tr>
<td>State Funds</td>
<td>22.5</td>
</tr>
<tr>
<td>Local Funds</td>
<td>6.2</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>12.8</td>
</tr>
<tr>
<td>Other Funds</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Total Budget Revenue</strong></td>
<td><strong>$143.4</strong></td>
</tr>
</tbody>
</table>
OVERVIEW

• Last year of COVID Federal Support for Operations
• New Operating and Capital Sources: RM3 and STA
• New Demonstration programs: Hydrogen Vessel and Oakland Estuary
• New Staff: To support RM3 capital program, customer-focused improvements, and service expansion
Ongoing Challenges in FY 2023/24:

- Significant industry-wide increases in costs since the pandemic just for current services – since 2019 WETA fuel costs nearly double, labor costs up 38%
- Changes in commute patterns plus lowered fares = significant lowered revenue – since 2019 43% reduction in fare revenue

RM3 provides support for now
$68 Million Proposed

• $64.5 million Ferry Service
• $3.9 million Planning & Administration
• 90% for ongoing service routes
Proposed: $64 million

- $62 million for six current service routes
- $3 million for Demonstrations
  - Sea Change Hydrogen
  - Oakland Estuary
- Increase of 9% over prior year for ongoing routes
Revenue Sources: $64 million

- Fare Revenue: 20%
- Federal - COVID-19 Relief Funds: 31%
- Bridge Toll Revenue: 34%
- State Transit Assistance: 5%
- Local - Contra Costa Measure J: 6%
- Other: 4%
OPERATIONS BUDGET: FERRY SERVICES

Ferry Services (Regular Routes) - Labor and Fuel: $34 million

- Labor+Fuel comprises over 50% of service budget
- Fuel cost increased last year 40%
- Continuing to budget at the higher level $4.20/gallon (no further increases)
- Labor contracts resulted in 6% increase ($1 million) on top of prior year increases (13% prior year/year increase)
Vessel Maintenance and Repair: $6 million

- Cost increases of $1 million over prior year (22%)
- More vessels in service – 17 total
- Investments in spare parts and preventive repairs to improve reliability
- Inflationary increases to most aspects of maintenance
- One-time investments related to wifi, boat fueling process
OPERATIONS BUDGET: FERRY SERVICES

Facilities: $11 million

- Engineering labor = more than half of facility costs
- Increase of $1.4 million (14%) over prior year associated with two separate increases:
  - Wage increases for engineering staff
  - Six new “fuelers” to improve maintenance efficiency and crew availability — made possible by RM3
System Expenses: $10.8 million

- Budget increase of $1.6 million over prior year (18%)
- Additional WETA staff costs to pay for COLAs, improved communications, better cost analysis
- One time investment in a new Bay Ferry/WETA website
- Increase in dispatcher pay for better recruiting and retention
- Clipper costs = double for running two systems prior to Clipper 2
Demonstration Projects for Ferry Services

• Hydrogen Ferry Demonstration Project: $1.7 million
  ➢ World’s first commercial hydrogen fuel cell passenger ferry, assumed to begin in June and continue for five months

• Oakland Estuary Shuttle: $1 million
  ➢ Service connecting Alameda’s northern waterfront to Jack London Square in Oakland operated by a private contractor for a trial period during the fiscal year
## Planning and Administration

Proposed $3.9 million in FY 2023/24:

<table>
<thead>
<tr>
<th>Planning and Administration</th>
<th>Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Salaries, Wages &amp; Fringe Benefits</td>
<td>$2,437,349</td>
</tr>
<tr>
<td>Professional / Contract Services</td>
<td>2,046,600</td>
</tr>
<tr>
<td>Info. Tech., Office Needs</td>
<td>148,800</td>
</tr>
<tr>
<td>Utilities, Comm, Insurance</td>
<td>57,208</td>
</tr>
<tr>
<td>Dues, Memberships, Miscellaneous</td>
<td>123,440</td>
</tr>
<tr>
<td>Leases, Rentals and Fees</td>
<td>267,040</td>
</tr>
<tr>
<td>Transfer of Administrative Expense</td>
<td>(1,135,242)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,945,194</strong></td>
</tr>
</tbody>
</table>
PLANNING AND ADMINISTRATION

Increased cost of $352,000 (7%) over prior year, made possible by RM3:

• Increased staff in management, operations and capital planning:
  ➢ Accountant
  ➢ Administrative Specialist
  ➢ Communications Specialist
  ➢ Two Project Managers for capital projects

• Proposed COLA of 5.3% reflects Bay Area CPI
PLANNING AND ADMINISTRATION

• New Project Managers to manage significant new capital project needs
• 15 ongoing and 12 new projects
• Planning work on Business Plan and future service vision, RM3-related operating and capital plans, and preparation for new Operating Contract process
• Increased investments in HR, community memberships, DBE work
Capital Budget Summary
$75 million

- Vessels: Construction 31%
- Vessels: Major Components Rehabilitation 20%
- Facilities: Electrification 21%
- Facilities: Terminal Improvements 28%
Proposed spending of $75 million
- 15 ongoing projects
- 12 additional projects

- Current year spending delayed and carried over to new budget -- primarily large vessel projects
  - Solano/Bay Breeze Replacements: Significant Shipyard delays due to COVID supply chain and labor shortages
  - Intintoli and Mare Island replacements: 1st large electric vessels delayed to allow for electric system integration
CAPITAL PROJECTS

Capital Budget includes significant electrification expense:

• Five Electric Vessels: TIRCP and FTA funded
• Waterside (Float) Electric Infrastructure: TIRCP funded
• Shoreside Electrification: RM3 and future TIRCP

Also includes new RM3 initiatives (planning/design):

• Mission Bay
• Berkeley
• Oakland Expansion
• Temporary (Emergency) Floats
RESERVES

Operating Reserve: Held in STA Account at MTC $13.3 million

Emergency/Cashflow Reserve: Held in WETA LAIF Account $10 million

Capital Reserve: Held in MTC RM1 Accounts: $25 million (used for matching federal funds)