

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

[December 7, 2023]

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at Port of San Francisco at Pier 1, San Francisco, CA and via videoconference.

1. CALL TO ORDER

Chair James Wunderman called the meeting to order at 1:02 p.m.

2. ROLL CALL

Chair Wunderman, Director Jessica Alba, Director Jeffrey DelBono, and Director Pippin Dew were in attendance. In compliance with the Brown Act, Chair Wunderman explained that he was joining the meeting remotely due to health issues and that no one over 18 was in the room with him.

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 expressed interest in pursuing more pilot programs such as the Alameda Estuary shuttle to determine the viability of exploring new services by capitalizing on the relationships with maritime partners with available vessels and existing marina facilities. He said that the service could be funded by Regional Measure 3 (RM 3) and that he would put together a subcommittee to look at the alternatives if the directors were interested.

4. REPORTS OF DIRECTORS

Director Alba recognized the efforts of the Working Waterfront Coalition for leading a tour at Fremont High School to explore the training programs that were offered.

Director DelBono reported that he had the opportunity to ride the all-electric ferry at Niagara Falls to learn about its operations and the Douro River Taxi in Porto, Portugal. He expressed his interest in being part of the subcommittee to explore new pilot services. Director DelBono expressed his appreciation for WETA's response to getting people home when someone walked into the transbay tube.

Director Dew expressed her interest in participating in the new pilot service discussion. She added that Vallejo was looking to put together a Project Labor Agreement (PLA) to fund workforce development programs like those offered at Fremont High School. She thanked Bobby Winston and Sal Vaca for joining the tour.

5. REPORTS OF STAFF

Executive Director Seamus Murphy said that Government and Regulatory Affairs Manager Lauren Gularte was working with the Working Waterfront Coalition Board to help advance many initiatives including electrification needs, the expansion of offshore wind, and the availability of captains and deckhands to operate ferry services.

Mr. Murphy said that WETA was dedicating \$2 million a year to future budgets to explore future pilot services, new vessel technologies, and the enhancement of existing services. He welcomed the involvement of the Board to talk about the direction for exploring pilot services.

Chair Wunderman thanked Directors DelBono and Dew for their interest and appointed them to the pilot program subcommittee.

Mr. Murphy acknowledged Ms. Gularte for her involvement related to Asia-Pacific Economic Cooperation (APEC) and Customer Experience Specialist Rafael Regan for leading the decorating efforts for the Alameda 47th Annual Lighted Yacht Parade.

Mr. Murphy introduced Marine Project Engineer Jan Rybka who worked as a Marine Engineer Logistician with the U.S. Coast Guard.

Mr. Murphy said Federal Transit Administration Administrator Nuria Fernandez recently visited San Francisco and made the announcement for the \$200 million plus ferry grants that were awarded in the Bay Area. He noted that \$117 million has been raised over the last few years to help advance phase one of the electrification program. He thanked Chief Financial Officer Erin McGrath and Grants Manager Jennifer Raupach for leading the effort with the help of Operations and Maintenance Manager Timothy Hanners and Senior Planner/Project Manager Chad Mason.

Mr. Murphy said he had the opportunity visit Auckland, New Zealand to discuss the similarities between the San Francisco Bay Ferry and Auckland Transport's network and zero-emissions program. He noted that Mr. Chad Mason also visited Norway to check out the latest and greatest shoreside charging infrastructure and strategies, which will be considered by WETA as it transitions to a zero-emission fleet.

Mr. Murphy introduced EV Maritime (EVM) CEO Michael Eaglen. He said that Mr. Eaglen connected Mr. Murphy to the private sector operator that is contracted through Auckland Transport to operate the service. EVM was building the vessels that would operate on Auckland Transport's mid-harbour services.

Mr. Eaglen introduced himself and provided some background on EVM. He stated that EVM's model was to invest in the development of standardized vessel platforms and to assist operators and municipalities by supporting shipyards globally while enabling manufacturing locally. He said that EVM was in the process of constructing two high-speed, fully electric, 200-passenger ferries for commuter services in Auckland with a New Zealand shipyard partner that would be delivered by the end of 2024.

Mr. Eaglen shared his presentation on the Auckland Commuter Ferry Service and provided data on the emissions of fast ferries compared to diesel buses and information on the EVM200 Electric Fast Ferry (EVM200). He said that EVM had profiled the requirements of vessels for ten world cities including San Francisco and said the EVM200 was comparable to the vessels being designed for the WETA.

Mr. Eaglen said the EVM200 would displace around 200,000 gallons of diesel consumption annually for about 2,000 tons of basic annual emissions.

Mr. Eaglen closed his presentation by stating that Auckland and San Francisco were leading the world in maritime decarbonization.

Chair Wunderman thanked Mr. Eaglen for his presentation and his leadership.

Before introducing Mr. Mason, Mr. Murphy added that the hydrogen space would be a zero-emission solution for longer routes such as Vallejo.

Mr. Mason shared his presentation on shoreside infrastructure from his visit to Norway. He said that along with various stakeholders, public ferry operators, and several consultants, he was able to see the technology in operation in various services and applications.

Mr. Murphy stated that he was in contact with Artemis Technologies who was producing full foil technology which was the closest to having a vessel that would meet the passenger requirements for WETA's system but was not Jones Act compliant. He added that Navier Boat produced full foil vessels in the US but did not have a vessel that met the passenger requirements for WETA.

The Directors thanked Mr. Eaglen and Mr. Mason for their informative presentations.

Mr. Mason provided a construction update and shared his presentation on the Alameda Main Street Ferry Terminal Refurbishment Project stating that WETA was on target to resume operations and reopen the facility on January 2. He shared images from the dilapidated pier removal, waterside pile driving using impact pile driving that required extra permitting and environmental review, landside pile driving, new bridge support structure, new bridge and gangway outfitting, and passenger float fabrication and launch.

Public Information and Marketing Manager Thomas Hall provided a ridership update on the service changes that tied in with the Alameda Main Street closure. He said that 25 of the 43 enrolled passengers in the rideshare voucher program used vouchers, totaling 292 trips.

Mr. Murphy thanked Mr. Mason and Mr. Hall for their reports and introduced Transportation Planner Gabriel Chan and Operations Analyst Joe Ramey to provide the monthly operations, ridership, and recovery report. Mr. Chan said that WETA was still on track with the ridership projections and that weekends were performing strongly. Mr. Ramey stated that on-time performance for October was down due to the volume of passengers during Fleet Week weekend in which WETA was transporting two and a half to three times the normal volume.

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

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

Chair Wunderman thanked staff for the reports.

6. CONSENT CALENDAR

Director DelBono made a motion to approve the consent calendar:

- a. Approve Board Meeting Minutes – November 2, 2023
- b. Approve Board of Directors Meeting Schedule for Calendar Year 2024
- c. Authorize Release of an Invitation for Bids for the North Bay Operations Office Renovation
- d. Approve Sole Source Contract Award to HamiltonJet Inc. for a Spare Series 810 Waterjet

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

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

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

7. RECEIVE THE INDEPENDENT AUDITOR'S REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2023

Ms. McGrath introduced the item stating that the annual financial statements include all the liabilities, construction in progress of approximately \$39 million, and operating revenue up from \$8.2 to \$10 million representing a 33 percent increase over the prior year. She added that COVID relief funds in the amount of \$25.4 million were utilized last year.

Ms. McGrath stated that the financial statements for the last five years were posted on the website. She introduced Maze & Associates Shareholder Vikki Rodriguez who provided a high-level overview. Ms. Rodriguez said that Maze & Associates issued an unmodified opinion on all the reports which is the highest level of assurance that can be provided. Ms. Rodriguez noted that areas of audit included activities and areas of higher risk.

Ms. Rodriguez said that an interim phase audit was performed in June looking at the internal control environment to gain an understanding of the environment and the different procedures and testing the controls followed by a final phase in October which included testing balances from the general ledger and performing the compliance audit. She said that no material weaknesses or significant deficiencies were detected and thanked Ms. McGrath and Accountant Sherry Saepanh for making the process a smooth one.

Ms. McGrath clarified that Regional Measure 3 (RM 3) was not listed as a major funding source as no RM 3 funds were used during the fiscal year, in response to Chair Wunderman's inquiry.

Director Dew asked for funding percentages for pension and OPEB liabilities. Ms. McGrath said the percentages varied and stated that WETA did not have any unfunded liability in its CalPERS pension program. Ms. Rodriguez added that the funded ratios were reflected in the supplementary information section of the audit report.

Director Dew made a motion to adopt Resolution No. 2023-45 approving this item.

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

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

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

8. VESSEL NAMING POLICY

Mr. Hall presented this item on the vessel naming policy. He said that the feedback received was incorporated into the policy. Mr. Hall reminded the Board that the goal of the policy was to provide guidance on leveraging interest in WETA's ferries through public participation that celebrates the Bay Area and maritime.

Mr. Hall noted that WETA would find ways to include the Board in the process and that final Board approval of a vessel name was added to the policy.

Chair Wunderman thanked Mr. Hall for making the adjustments. He commented that it was a more inclusive way for the public to be involved and have some ownership over characteristics of the fleet.

Director Alba made a motion to adopt Resolution No. 2023-46 approving this item.

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

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

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

9. REVIEW AND PROVIDE INPUT ON WETA'S DRAFT 2024 LEGISLATIVE PROGRAM

Government and Regulatory Affairs Specialist Terence Candell presented this informational item requesting input on the 2024 legislative program. He said that staff worked with state and federal legislative representatives, Shaw Yoder Antwih Schmelzer & Lange (Shaw Yoder) and FBB Federal Relations to develop a regional, state, and federal legislative program for 2024.

Mr. Candell explained that the program establishes the principles that guide the legislative and regulatory advocacy efforts during the calendar year. He said that the strategies were updated to maximize the utilization of funds.

Chair Wunderman expressed his concern that WETA take a position and get its fair share of funding. Mr. Murphy said that WETA would be monitoring and participating in the conversations for the legislative authorization for a funding measure and assured Chair Wunderman that staff would seek the Board's feedback and approval before any position was taken on either legislation, expenditure plan, or principles.

Chair Wunderman commented that although WETA is not at risk of being on a fiscal cliff in the near term, he wanted to make certain any funds were guarded and not diverted.

Mr. Murphy said that WETA was engaging with a broad stakeholder outreach in working on the business plan service vision to focus on the need to work collaboratively with stakeholders to obtain support for any future regional funding measures for expansion and operation of future services.

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

10. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

Red and White Group Managing Director and Partner Tyler Foster voiced his concern that WETA's sightseeing services such as the Richmond scenic route and the Lighted Yacht Parade seemed to go against the mandate to provide water transportation and emergency coordination services and violate WETA's establishment and funding mandates. Mr. Foster urged the Board to consider the effects of any sightseeing efforts and to stop competing directly with commercial operators using below cost pricing and government funding.

Chair Wunderman said that he did not believe it was the intention of WETA to be a tourist service or to compete with the private operators.

WETA Attorney Steven Miller of Hanson Bridgett suggested that no discussion or comments be made on non-agenda items.

With all business concluded, Chair Wunderman wished guests a safe and happy holiday and adjourned the meeting at 2:37 p.m. in honor of Mavrik Marine President and CEO Zachery Battle.

- Board Secretary
END