

**Members of the Board**

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

*Thursday, December 12, 2024 at 1:00 p.m.*

**Port of San Francisco  
Bayside Conference Room  
Pier 1**

**San Francisco, CA  
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
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. Pilot Program Update
    - ii. Plan Bay Area 2050 Update
  - b. Monthly Review of Financial Statements
  - c. Federal Legislative Update
  - d. State Legislative Update
  - e. Monthly Operations, Ridership, and Recovery Report
6. CONSENT CALENDAR **Action**
  - a. Approve Board Meeting Minutes – November 14, 2024
  - b. Authorize the Execution of a Funding Agreement with the California Energy Commission for \$4,999,994 in Clean Transportation Program Funds
7. RECEIVE THE INDEPENDENT AUDITOR'S REPORTS FOR THE FISCAL YEAR ENDING JUNE 30, 2024 **Action**

**Water Emergency Transportation Authority  
December 12, 2024 Meeting of the Board of Directors**

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| 8. <u>AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE EQUITY IN INFRASTRUCTURE PROJECT PLEDGE</u>   | <b>Action</b>           |
| 9. <u>APPROVE ACTIONS RELATIVE TO RFP 24-006, 150 PASSENGER REEF VESSEL PROCUREMENT</u>  | <b>Action</b>           |
| 10. <u>WETA DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM REVIEW</u>   | <b>Information</b>      |
| 11. <u>PUBLIC COMMENTS FOR NON-AGENDA ITEMS</u>  |                         |
| 12. <u>RECESS INTO CLOSED SESSION</u><br>a. Conference with Legal Counsel—Anticipated Litigation<br>Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (one or more cases) |                         |
| 13. <u>REPORT OF ACTIVITY IN CLOSED SESSION</u>  | <b>To Be Determined</b> |

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.**

**PUBLIC COMMENTS** WETA welcomes comments from the public.

*If you know in advance that you would like to make a public comment during the meeting, 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 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: December 12, 2024

RE: Executive Director's Report

**New Hires**

Minh Tran joined the Engineering and Delivery group as a project engineer. He obtained his Marine Engineering and Naval Architecture degree from Webb Institute and brings excellent marine experience including his work on the Washington State hybrid electric ferries program.

**Zero Emission Ferries Conference**

The Second Global Mass Transit Zero Emission Ferries Conference was held in South San Francisco on November 19. We were well represented with Emily Loper and Lauren Gularte standing in for Chair Wunderman providing the Opening Keynote Session Welcome and history of the Bay Area region's ferry service. Mike Gougherty joined by Kenny Chin of the Port of SF presented the REEF program as part of the key projects and case studies session.

**Grants Update**

SF Bay Ferry received two discretionary grant awards in October, providing investment that is critical to the future decarbonization and expansion of the system. The California State Transportation Agency awarded \$12.5 million from the Transit and Intercity Rail Capital Program to support the electrification and construction of charging infrastructure at Alameda's Harbor Bay Terminal. Later in the month, the United States Environmental Protection Agency (EPA) awarded \$55 million to the Port of San Francisco to support the construction of a new SF Bay Ferry Terminal in Mission Bay, the electrification of the agency's Downtown San Francisco Terminal, procurement of a third 400 passenger battery electric vessel, and investment in workforce development programs to expand the supply of qualified maritime workers in the region.

On November 1, SF Bay Ferry staff organized an event to celebrate the EPA award announcement. Speakers included US House of Representatives Speaker Emerita Nancy Pelosi, State Senator Scott Weiner, San Francisco Mayor London Breed, SF Port Executive Director Elaine Forbes, and SF Bay Ferry Board Chair Jim Wunderman. The inaugural class of the Working Waterfront Coalition was also on hand and acknowledged as critical part of successfully advancing these projects.

On November 22, EPA Secretary Michael Regan, US House of Representatives Speaker Emerita Nancy Pelosi, SF Port Executive Director Elaine Forbes and SF Bay Ferry Vice Chair Monique Moyer attended a site visit which included a ferry ride along the future Mission Bay Ferry route and discussed the regional benefits of the projects supported by this grant. Staff has been working closely with EPA to ensure execution of the grant agreement prior to the end of the calendar year.

**Pilot Services Update*****Sea Change Hydrogen Ferry***

Sea Change continues to run three days per week on the Pier 41 Short Hop route, supplementing existing weekend service. The agency and operating partner Blue & Gold Fleet are finalizing a plan to expand operations to five days per week. The agency and SWITCH Maritime continue to host interested groups on Sea Change, including recent delegations from the Georgia Public Services Commission and the California Air Resources Board.

### **Oakland Alameda Water Shuttle**

The Oakland Alameda Water Shuttle continues to successfully operate between Jack London Square and Alameda Landing. Through the end of November, the service carried nearly 45,000 passengers.

### **Richmond Free Ferry Fridays**

The Richmond Free Ferry Fridays promotion, funded by the Contra Costa Transportation Authority (CCTA) and presented to the Board of Directors in October, continues through the end of December. Through the first five of the nine promotional days in the campaign, ridership has nearly doubled similar dates in 2023. Richmond ridership overall was up 15% in November 2024 compared to November 2023.

### **South San Francisco Holiday Week**

Major employers in the Oyster Point area close their campuses completely from December 24 through January 1 and San Francisco Bay Ferry typically sees very few riders on its South San Francisco route during this span. In 2023, the South S.F. route averaged 10 boardings per day during the holiday closure. Due to the nature of the South S.F. service plan, ridership is entirely commute-based with little opportunity for recreational use of the route.

As a result, the agency will suspend service on the route between December 24, 2024 and January 1, 2025, to achieve fuel cost savings, reduce operating hours on two vessels per day, and allow additional time flexibility for vessel maintenance and cleaning. Passengers are being notified through several channels, including communication from the employers.

### **Plan Bay Area 2050+**

Plan Bay Area 2050+ (the "Plan") is the required four-year update to Plan Bay Area 2050, the long-range, fiscally constrained regional plan for transportation that satisfies the Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) requirements for the nine-county San Francisco Bay Area. The Metropolitan Transportation Commission is required to develop an RTP for the region. Earlier this year, MTC presented the proposed network for the Plan at the July Regional Network Management Council and the September Planning Committee, which excluded the Berkeley and Redwood City Ferry Terminal expansion projects. For both meetings staff implemented an advocacy effort with several other supporters to urge MTC to include the Berkeley and Redwood City Ferry Terminal in the next draft of the Plan. In November, SF Bay Ferry staff was advised that the final Plan includes the Berkeley Ferry Terminal but still excludes the Redwood City Ferry Terminal. Omission of projects from the Regional Transportation Plan impacts SF Bay Ferry's ability to secure future federal and state funds for this project, as well as future regional discretionary funds such as Regional Measure 3. The final plan is anticipated to be presented as an informational item at the December 13 Planning Committee and the December 16 Regional Network Management Council meeting ahead of adoption by the MTC Commission on January 22. Staff initiated another advocacy effort for upcoming meetings including emailing a package of 12 support letters directly to the members of the committees and all MTC Commissioners on December 3 and will also coordinate several in person comments at upcoming meetings.

\*\*\*END\*\*\*

**MEMORANDUM**

**TO: Board Members**

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

**SUBJECT: Review of FY 2024/25 Financial Statements Ending October 31, 2024**

**Recommendation**

There is no recommendation associated with this informational item.

**Financial Statements Summary**

This report provides a summary of financial activity through October 2024. For the operating budget, the summary chart below outlines current progress against budget which is trending within the projected budget. Total revenue and expense to date for operations is \$21.4 million with 33% of the fiscal year completed. Although fare revenue shows 38% of budget, it is essentially on target for the year due to the variability of the projection by month. Revenue and expense by both category and route is shown in the detailed charts attached to this report.

<b>Ferry Operations Summary</b>	<b>Year - To - Date</b>	<b>Annual</b>	
	<b>FY2024/25 Actual Current YTD</b>	<b>FY2024/25 Approved Budget</b>	<b>% of FY2024/25 Budget</b>
<b>Revenue:</b>			
Fare Revenue	\$ 5,276,137	\$ 14,065,234	38%
Transfers to Reserves	(2,631,442)	(8,439,141)	31%
Bridge Toll Revenues	13,801,524	50,606,165	27%
State Operating Assistance	3,460,981	11,664,129	30%
Alameda/Contra Costa Tax Revenue	1,490,362	4,307,450	35%
Other Revenue	22,354	2,545,000	1%
<b>Total Operating Revenues</b>	<b>\$ 21,419,917</b>	<b>\$ 74,748,837</b>	<b>29%</b>
<b>Expense:</b>			
Operations Labor	\$ 6,017,440	\$ 19,291,343	31%
Vessel Fuel	4,248,313	15,687,000	27%
Vessel Operations & Maintenance	2,260,033	8,805,864	26%
Facility Operations & Maintenance	3,390,231	11,296,160	30%
Systemwide Expense	2,800,038	10,649,045	26%
Demonstration/Pilot Projects	1,283,033	3,473,724	37%
Planning & Administration	1,420,827	5,545,703	26%
<b>Total Operating Expenses</b>	<b>\$ 21,419,917</b>	<b>\$ 74,748,838</b>	<b>29%</b>
<b>Farebox Recovery % (Regular Service)</b>	<b>26%</b>		

Capital Budget expenses are summarized below, with more detail provided on the following pages. Expenses through the first four months, as shown below, are \$6.5 million. The total program value may be revised in the coming months as successful grants are announced and incorporated into the program and as the Chief Capital Officer reviews total project budgets and recent cost estimates as part of that program review. The award this month of the 150-passenger electric vessel contract will change the total project budget but not affect the current year authorization. That change will be reflected in the next monthly report.

<b>Capital Budget Summary</b>	<b>FY2024/25 Actual Current YTD</b>	<b>FY2024/25 Approved Budget</b>	<b>% of FY2024/25 Budget</b>
<b>Revenue:</b>			
Federal Funds	\$ 4,750,241	\$ 37,035,764	13%
State Funds	600,802	22,204,389	3%
Bridge Toll Revenues	998,379	22,320,841	4%
Local/Other Revenues	135,581	1,856,893	7%
<b>Total Capital Revenues</b>	<b>\$ 6,485,003</b>	<b>\$ 83,417,887</b>	<b>8%</b>
<b>Expense:</b>			
Repair and Replacement	\$ 1,316,449	\$ 26,057,363	5%
Vessel Projects	3,970,632	13,263,495	30%
Electrification Program (REEF)	1,197,921	44,097,030	3%
<b>Total Capital Expense</b>	<b>\$ 6,485,003</b>	<b>\$ 83,417,887</b>	<b>8%</b>

**Investment Report**

The total monthly balance held in both the Local Agency Investment Fund (LAIF) and our commercial bank as of October 31 is \$21.5 million. Further detail is provided below.

	<b>October 2024</b>
Bank of America (Checking)	\$ 3,101,030
Bank of America (Measure B/BB)	6,713,661
Local Agency Investment Fund (LAIF)	11,651,514
<b>Total</b>	<b>\$ 21,466,205</b>

**Fiscal Impact**

There is no fiscal impact associated with this informational item.

\*\*\*END\*\*\*

**San Francisco Bay Ferry (WETA)**  
**Operating & Administration Monthly Budget Report FY 2024/25**  
**Through the Month Ending 10/31/2024**

% of Year Elapsed 33%

	Month Oct. 2024 Actual	Year - To - Date		Total FY2024-25 Budget	Total Budget
		FY2023-24 Actual	FY2024-25 Actual		
<b>OPERATING REVENUE</b>					
Fare Revenue	\$1,227,675	\$4,656,729	5,276,137	\$14,065,234	38%
Revenue Transfer to Reserve	(847,096)	-	(2,631,442)	(8,439,141)	31%
Federal Operating Assistance	-	9,402,825	-	-	-
Regional - Bridge Toll	4,218,729	3,953,988	13,801,524	50,606,165	27%
State Operating Assistance	872,133	-	3,460,981	11,664,129	30%
Local	377,136	1,253,904	1,490,362	4,307,450	35%
Other Revenue	9,254	83,120	22,354	2,545,000	1%
<b>Total Operating Revenue</b>	<b>\$5,857,831</b>	<b>\$ 19,350,566</b>	<b>\$ 21,419,917</b>	<b>\$ 74,748,837</b>	<b>29%</b>
<b>OPERATING EXPENSE</b>					
<b>Harbor Bay Ferry Service</b>					
Operations Labor	\$162,105	\$554,021	601,744	\$1,688,425	36%
Vessel Fuel	82,117	360,333	297,234	1,254,960	24%
Vessel Operations & Maintenance	81,609	129,719	235,140	1,023,362	23%
Facility Operations & Maintenance	56,444	246,649	213,179	760,837	28%
Systemwide Expense	56,690	253,613	253,105	966,188	26%
<b>Total Harbor Bay Farebox Recovery</b>	<b>\$438,965</b> <b>24%</b>	<b>\$1,544,335</b> <b>22%</b>	<b>\$ 1,600,402</b> <b>24%</b>	<b>\$ 5,693,772</b> <b>19%</b>	<b>28%</b>
<b>Alameda/Oakland Ferry Service</b>					
Operations Labor	\$372,841	\$1,414,216	\$1,384,011	\$4,408,474	31%
Vessel Fuel	234,620	1,091,061	849,663	2,823,660	30%
Vessel Operations & Maintenance	132,229	222,498	388,700	1,646,620	24%
Facility Operations & Maintenance	152,256	637,029	573,460	1,926,387	30%
Systemwide Expense	151,682	705,125	679,745	2,541,987	27%
<b>Total Alameda/Oakland Farebox Recovery</b>	<b>\$1,043,629</b> <b>26%</b>	<b>\$ 4,069,929</b> <b>32%</b>	<b>\$ 3,875,580</b> <b>34%</b>	<b>\$ 13,347,128</b> <b>24%</b>	<b>29%</b>
<b>Vallejo Ferry Service (Vallejo)</b>					
Operations Labor	\$437,683	\$1,621,314	\$1,624,709	\$5,851,832	28%
Vessel Fuel	516,165	2,467,687	1,869,258	\$6,745,410	28%
Vessel Operations & Maintenance	177,106	419,757	494,347	\$2,506,542	20%
Facility Operations & Maintenance	457,705	1,195,249	1,614,688	5,194,472	31%
Systemwide Expense	192,184	829,967	872,430	3,151,145	28%
<b>Total Vallejo Farebox Recovery</b>	<b>\$1,780,842</b> <b>30%</b>	<b>\$ 6,533,974</b> <b>31%</b>	<b>\$ 6,475,432</b> <b>37%</b>	<b>\$ 23,449,402</b> <b>27%</b>	<b>28%</b>
<b>South San Francisco Ferry Service (SSF)</b>					
Vessel Operations Labor	\$145,894	\$512,224	\$541,570	\$1,706,808	32%
Vessel Fuel	58,655	335,362	212,267	941,220	23%
Vessel Operations & Maintenance	123,468	149,817	318,019	1,129,078	28%
Facility Operations & Maintenance	49,731	240,989	208,856	719,434	29%
Systemwide Expense	43,115	160,924	189,172	800,037	24%
<b>Total South San Francisco Farebox Recovery</b>	<b>\$420,863</b> <b>16%</b>	<b>\$ 1,399,316</b> <b>8%</b>	<b>\$ 1,469,884</b> <b>16%</b>	<b>\$ 5,296,577</b> <b>13%</b>	<b>28%</b>
<b>Richmond Ferry Service (Richmond)</b>					
Vessel Operations Labor	\$291,788	\$1,050,483	\$1,083,139	\$3,384,571	32%
Vessel Fuel	164,234	750,544	594,912	2,196,180	27%
Vessel Operations & Maintenance	198,904	183,952	551,390	1,520,044	36%
Facility Operations & Maintenance	137,928	524,233	508,194	1,742,897	29%
Systemwide Expense	110,184	375,549	478,732	1,911,368	25%
<b>Total Richmond Farebox Recovery</b>	<b>\$903,038</b> <b>13%</b>	<b>\$ 2,884,762</b> <b>13%</b>	<b>\$ 3,216,368</b> <b>14%</b>	<b>\$ 10,755,060</b> <b>12%</b>	<b>30%</b>

(continued on next page)

**San Francisco Bay Ferry (WETA)**  
**Operating & Administration Monthly Budget Report FY 2024/25**  
**Through the Month Ending 10/31/2024**

% of Year Elapsed 33%

	Month Oct. 2024 Actual	Year - To - Date		Total FY2024-25 Budget	Total Budget
		FY2023-24 Actual	FY2024-25 Actual		
<b>OPERATING EXPENSE (continued)</b>					
<b>Seaplane Lagoon Ferry Service</b>					
Vessel Operations Labor	\$210,736	\$683,758	\$782,267	\$2,251,233	35%
Vessel Fuel	117,310	500,385	424,980	1,725,570	25%
Vessel Operations & Maintenance	96,732	122,606	272,437	980,217	28%
Facility Operations & Maintenance	72,033	326,611	271,854	952,132	29%
Systemwide Expense	74,016	325,500	326,854	1,278,319	26%
<b>Total Seaplane Lagoon</b>	<b>\$570,827</b>	<b>\$ 1,958,860</b>	<b>\$ 2,078,392</b>	<b>\$ 7,187,472</b>	<b>29%</b>
<b>Farebox Recovery</b>	<b>23%</b>	<b>25%</b>	<b>23%</b>	<b>17%</b>	
<b>Subtotal Operations (Regular Service)</b>	<b>\$5,158,164</b>	<b>\$ 18,391,176</b>	<b>\$ 18,716,056</b>	<b>\$ 65,729,411</b>	<b>28%</b>
<b>Farebox Recovery (exclud. Administration)</b>	<b>24%</b>	<b>25%</b>	<b>28%</b>	<b>21%</b>	
<b>Hydrogen Demonstration Project (Sea Change)</b>	\$220,930	72,445	\$ 1,018,054	<b>\$2,143,724</b>	47%
<b>Alameda - Oakland Demonstration Project (Woodstock)</b>	\$72,555	N/A	264,979	<b>\$1,330,000</b>	20%
<b>Subtotal Ferry Operations (All)</b>	<b>\$5,451,649</b>	<b>\$ 18,463,621</b>	<b>\$ 19,999,090</b>	<b>\$ 69,203,135</b>	<b>29%</b>
<b>Planning and Administration</b>					
Wages and Fringe Benefits	\$228,756	\$658,824	\$837,970	\$2,991,281	28%
Professional & Other Services	138,014	385,398	445,223	1,983,648	22%
Information Tech., Office, Supplies	4,687	7,219	17,102	99,000	17%
Utilities/Communications	3,027	5,626	8,623	25,632	34%
Insurance	1,941	9,247	9,417	28,059	34%
Dues, Memberships, Misc.	8,464	37,201	28,916	148,268	20%
Leases and Rentals	21,291	82,874	73,575	269,816	27%
Admin Overhead Expense Transfer		(299,442)	-		
<b>Subtotal Planning &amp; Administration</b>	<b>\$406,181</b>	<b>\$886,946</b>	<b>\$ 1,420,827</b>	<b>\$ 5,545,703</b>	<b>26%</b>
<b>Total Operating Expense</b>	<b>\$5,857,831</b>	<b>\$ 19,350,566</b>	<b>\$ 21,419,917</b>	<b>\$ 74,748,838</b>	<b>29%</b>
<b>Systemwide Farebox Recovery (Regular Service, incl. Admin.)</b>			<b>26%</b>		

	Total Project Revenue/Expense	Prior Year Revenue/Expense	FY 2024/25 Budget (revised)	Year-To-Date FY2024/25 Actual	Total Future Year	% of Project Budget
<b>CAPITAL REVENUE</b>						
Federal Funds	\$ 131,437,683	\$ 17,266,977	\$ 37,035,764	\$ 4,750,241	77,134,942	17%
State Funds	78,802,033	25,932,860	22,204,389	600,802	30,664,854	34%
Regional - Bridge Toll	79,215,315	11,073,223	22,320,841	998,379	45,821,250	15%
Local /Other	6,590,000	707,943	1,856,893	135,581	4,025,164	13%
<b>Total Revenue</b>	<b>\$ 296,045,031</b>	<b>\$ 54,981,003</b>	<b>\$ 83,417,887</b>	<b>\$ 6,485,003</b>	<b>\$ 157,646,211</b>	
<b>CAPITAL EXPENSE</b>						
<b>Vessel Projects: Dorado Class</b>						
High Speed Vessels (Dorado/Delphinus)	30,420,100	30,183,002	237,098	-	-	99%
Vessel Replacements (Karl, Zalophus)	37,902,400	21,371,139	13,026,397	3,970,632	3,504,864	67%
<b>Repair and Replacement Program: Vessels</b>						
Vessel Mid-Life Reurbishment - MV Gemini	4,488,000	20,275	4,213,000	21,055	254,725	1%
Vessel Waterjet Upgrade - Pyxis Class Vessels	700,000	214,429	360,528	3,960	125,043	31%
Vessel Mid-Life Refurbishment & Engine Overhaul - N	4,679,000	8,381	4,670,000	4,339	619	0%
Water Jet Equipment	940,000	198,223	739,075	-	2,702	21%
Engine Overhauls and Improvements	9,425,000	249,894	9,175,176	165,340		4%
Component Improvements/Dry Dock	3,412,000	-	3,412,000	1,011,336	-	30%
<b>Repair and Replacement Program: Facilities</b>						
Vallejo Terminal Reconfiguration	16,696,000	451,663	600,000	78,430	15,644,337	3%
Passenger Floats Rehabilitation - Pier 9	1,362,000	-	1,362,000	-	-	0%
Vallejo Ferry Terminal Dredging	3,520,000	-	165,000	31,990	3,355,000	1%
Parking Lot Preservation & Maintenance - SSF	190,584	-	190,584	-	-	0%
NOBMF Fuel Farm Upgrades	420,000	-	420,000	-	-	0%
Mare Island-Pier 9 Office Reconfiguration	550,000	-	550,000	-	-	0%
Multiuse Emergency Float	200,000	-	200,000	-	-	0%
<b>Electrification Program (REEF)</b>						
<b>Vessels</b>						
New Electric Vessels (Three - 150 PX)	31,296,441	384,532	9,559,212	206,358	21,352,697	2%
New Electric Vessel (Intintoli Replacement)	26,446,700	956,722	11,469,302	169,643	14,020,676	4%
New Electric Vessel (Mare Island Replacement)	26,500,000	28,540	2,357,935	33,688	24,113,525	0%
<b>Facility Electrification</b>						
Central Bay Terminal	6,946,000	8,041	75,000	2,200	6,862,959	0%
Downtown San Francisco	28,315,432	848,878	12,447,141	458,179	15,019,413	5%
Treasure Island	6,798,681	-	2,593,681	19,361	4,205,000	0%
Main Street	5,689,830	-	640,313	-	5,049,518	0%
Seaplane Lagoon	11,189,000	-	780,313	186,265	10,408,688	2%
Harbor Bay	12,656,693	-	3,099,134	86,260	9,557,559	1%
Richmond Terminal	4,687,500	-	200,000	-	4,487,500	0%
Mission Bay Project	700,000	57,285	125,000	5,038	517,715	9%
Berkeley Pier/Ferry Project	3,000,000	-	200,000	25,858	2,800,000	1%
Oakland Ferry Terminal	16,913,670	-	550,000	5,073	16,363,670	0%
<b>Total Expense</b>	<b>\$ 296,045,031</b>	<b>\$ 54,981,003</b>	<b>\$ 83,417,887</b>	<b>\$ 6,485,003</b>	<b>\$ 157,646,211</b>	

**TO: SF Bay Ferry Board Members**

**FROM: Peter Friedmann, SF Bay Ferry Federal Legislative Representative  
Ray Bucheger, SF Bay Ferry Federal Legislative Representative  
Madison Hite, SF Bay Ferry Federal Legislative Representative**

**SUBJECT: SF Bay Ferry Federal Legislative Board Report – November 2024**

This report covers the following topics:

- Update on FY25 Appropriations Process / SF Bay Ferry Advocacy
- Surface Transportation Reauthorization
- What Does the Election Mean for SF Bay Ferry?

**Update on FY25 Appropriations Process / SF Bay Ferry Advocacy**

Before Congress adjourned back in September, the House and Senate passed a Continuing Resolution (CR) that funds federal government agencies through December 20<sup>th</sup>. While the House and Senate came back into session the week of November 11<sup>th</sup> for the post-election lame duck session of Congress, Congressional leaders have made little to no progress on passing FY25 appropriations bills. While it is still difficult to predict exactly what Congress will do in December, with only three weeks left of session before the December 20<sup>th</sup> deadline, it is likely that Congress will pass another CR into the new year.

Regardless of what Congress does with the FY25 appropriations process during the lame duck session, SF Bay Ferry will continue to advocate for increased funding for two federal grant programs that are dedicated to public ferries:

- ***Electric or Low-Emitting Ferry Pilot Program authorized by Section 71102 of the Infrastructure Investment and Jobs Act (IIJA)***: The IIJA provided advanced appropriations for this program (\$50 million per year for five years for a total of \$250 million) and authorized additional funding which is subject to annual appropriations. SF Bay Ferry has requested that Congress fund the entire authorized amount for FY25, which is \$50 million.
- ***FTA 5307(h) ferry program***: SF Bay Ferry has received numerous grants through this competitive grant program, which is funded at \$30 million per year. SF Bay Ferry has requested that the Appropriations Committee “plus-up” the FTA 5307(h) ferry program by at least \$20 million. The FY21, FY22, FY23 and FY24 Transportation-HUD Appropriations bills all provided additional money for the FTA program, thanks in part to SF Bay Ferry’s advocacy.

Recall that SF Bay Ferry was awarded \$11.5 million last month through the Section 5307(h) Ferry Passenger Grant Program to increase the passenger capacity of two fully electric vessels to support WETA's Rapid Electric Emission Free (REEF) Ferry Program. This award was made possible, in part, because of SF Bay Ferry's advocacy last year for additional funding for FY24.

### **Surface Transportation Reauthorization**

SF Bay Ferry has started convening members of the Public Ferry Coalition to discuss priorities for the next Surface Transportation Reauthorization bill. The current Surface Transportation Reauthorization Bill – which provides funding for the ferry grant programs that SF Bay Ferry relies on – expires September 30, 2026. Even though current law doesn't expire until next year, Congress will begin work on the next bill in 2025. SF Bay Ferry and the Public Ferry Coalition is working to have our priorities in place to discuss with Members of Congress and key committees by mid-year 2025.

While Republicans control the House and Senate and will therefore take the lead in drafting the next surface transportation bill, the San Francisco Bay Area will not be completely sidelined. This is because any surface transportation bill that Congress sends to the President will have to be bipartisan in nature, and that's because getting a bill through the Senate will require 60 votes – and because the Republicans only have 53 Senators, any bill that passes in that chamber will need at least 7 Democrats to support it (which means that Senate Democrats will be able to push for their priorities in exchange for their votes). Even in the House, where a simple majority is needed to pass legislation, Democrats could have leverage if a large enough number of House Republicans refuse to vote for a surface transportation bill, which is likely, given that a large contingent of conservative Republicans is likely to balk at the type of surface transportation bill that will make it through the Senate. Under that scenario, the Speaker will need Democrat votes to get a bill through the House, and that means Democrats in the House will likely also have an opportunity to press for their own priorities.

### **What Does the Election Mean for SF Bay Ferry?**

President-Elect Donald Trump has indicated a preference for road and bridge projects in rural areas, which is causing concern amongst transit advocates is any additional funding for these types of projects will come at the expense of public transit funding in urban areas. While this may end up being the case generally, the Public Ferry Coalition may be in a better position than other public transit interests to protect funding for public ferry programs given that several PFC members provide service in Republican states or districts and will be working to gain the support for their members of Congress. In fact, we are working with SF Bay Ferry staff to recruit additional public ferry operators from rural areas to better position the Public Ferry Coalition as we go into the new Congress and prepare to work with the incoming Trump Administration.

Respectfully Submitted,  
Peter Friedmann, Ray Bucheger and Madison Hite



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

December 2, 2024

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

FM: Matt Robinson, Partner  
Michael Pimentel, Legislative Advocate

RE: **STATE LEGISLATIVE UPDATE – December 2024**

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### ***General Update***

On December 2, the Legislature returned to Sacramento for the first organizational session in the 2025-26 Regular Legislative Session and start of the new Special Session.

During the organizational session, new and returning legislators who stood for election this November were sworn-in, selected their legislative leaders, adopted joint rules, and introduced the first round of legislation. The Senate once again chose Mike McGuire to serve as Senate President pro Tempore and the Assembly once again chose Robert Rivas to serve as the Assembly Speaker.

While it is just getting underway, the special session will focus on bolstering the state's legal funding used to support future lawsuits against the Trump administration to protect California's civil rights, reproductive freedom, climate action, and immigrant families. This is the first of many actions that the Newsom Administration plans to take in partnership with the Legislature to "build up California's defenses" against an incoming federal administration.

For more information about key legislative and budget deadlines, see the 2024 Legislative Calendar available [here](#).

### ***California Election Results***

California's general election was held on November 5, where all 80 Assembly seats were on the ballot along with 20 of the 40 Senate seats. While several races are still too close to call, Democrats are expected to maintain their supermajority in both houses. Currently, Democrats have a supermajority in both houses and these are projected to be maintained. However, Republicans did gain some ground in the State Capitol with incumbent Senator Josh Newman (D) losing his race to candidate Steven Choi (R), although the race is still too close to call. Additionally, results on a number of the statewide ballot propositions suggest some voter shifts on issues including public safety (Prop 36) and the economy (Prop 32).

On the following page we report on the results of these elections for WETA's legislative delegation.

District	Candidate	Notes
4	<b>Cecilia Aguiar-Curry (D) - 66.6%</b>	
	Darren T. Ellis (R) - 33.4%	
9	<b>Heath Flora (R) - 70.1%</b>	
	Tami Nobriga (AI) - 29.9%	
11	<b>Lori Wilson (D) - 58.8%</b>	
	Dave Ennis (R) - 41.2%	
12	<b>Damon Connolly (D) - 75.7%</b>	
	Andy Podshadley (R) - 24.3%	
14	<b>Buffy Wicks (D) - 68.5%</b>	
	Margot Smith (D) - 31.5%	
15	<b>Anamarie Avila Farias (D) - 64.1%</b>	This seat was previously occupied by Assembly Member Tim Grayson.
	Sonia Ledo (R) - 35.9%	
17	<b>Matt Haney (D) - 84.6%</b>	
	Manuel Noris-Barrera - 15.4%	
18	<b>Mia Bonta (D) - 80.3%</b>	
	Andre Sandford (AI) - 19.7%	
19	<b>Catherine Stefani (D) - 60.5%</b>	This seat was previously occupied by Assembly Member Phil Ting.
	David E. Lee (D) - 39.5%	
20	<b>Liz Ortega (D) - 72.9%</b>	
	Sangeetha Shanbhogue - 27.1%	
21	<b>Diane Papan (D) - 73.8%</b>	
	Mark Gilham (R) - 26.2%	
23	<b>Marc Berman (D) - 59.8%</b>	
	Lydia Kou (R) - 40.2%	
24	<b>Alex Lee (D) - 66.1%</b>	
	Bob Brunton (R) - 33.9%	
26	<b>Patrick Ahrens (D) - 56%</b>	This seat was previously occupied by Assembly Member Evan Low.
	Tara Sreekrishnan (D) - 44%	

District	Candidate	Notes
3	<b>Chris Cabaldon (D) - 62.6%</b>	This seat was previously occupied by Senator Bill Dodd.
	Thom Bogue - 37.4%	
7	<b>Jesse Arreguin (D) - 57.2%</b>	This seat was previously occupied by Senator Nancy Skinner.
	Jovanka Beckles (D) - 42.8%	
9	<b>Tim Grayson (D) - 52.0%</b>	This seat was previously occupied by Senator Steve Glazer.
	Marisol Rubio - 48.0%	
11	<b>Scott Wiener (D) - 77.8%</b>	
	Yvette Corkrean (R) - 22.2%	
13	<b>Josh Becker (D) - 72.5%</b>	
	Alexander Glew (R) - 27.5%	
15	<b>Dave Cortese (D) - 68.6%</b>	
	Robert Paul Howell (R) - 31.4%	
17	<b>John Laird (D) - 65.1%</b>	
	Tony Virrueta (R) - 34.9%	

Below we report on the results of the November ballot propositions:

- **Prop. 2**, which would institute a \$10 billion education bond, is passing with 58.6% of voters supporting the proposition.
- **Prop. 3**, which would reaffirm the right of same-sex couples to marry, is passing with 62.6% of voters supporting the proposition.
- **Prop. 4**, which would institute a \$10 billion climate bond, is passing with 59.7% of voters supporting the proposition.
- **Prop. 5**, also known as ACA 1 / ACA 10, would have lowered the voting threshold for local bonds and is failing with 55.1% of voters rejecting the proposition.
- **Prop. 6**, which would have ended indentured servitude in state prisons, is failing with 53.3% of voters rejecting the proposition.
- **Prop. 32**, which would have raised the state minimum wage to \$18 an hour, is failing with 50.7% of voters rejecting the proposition.
- **Prop. 33**, which would have allowed local governments to impose rent controls, is failing with 60.1% of voters rejecting the proposition.
- **Prop. 34**, which would require certain health care providers to use nearly all revenue from Medi-Cal Rx on patient care, is passing with 50.8% of voters supporting the proposition.
- **Prop. 35**, which would make existing tax on managed health care insurance plans permanent, is passing with 67.9% of voters supporting the proposition.
- **Prop. 36**, which would increase penalties for theft and drug trafficking, is passing with 68.4% of voters supporting the proposition.

#### ***Local Transportation Measures***

Related to the Bay Area's efforts to secure authorization for a regional tax, there were several local ballot measures on the November ballot this year to fund transit and transportation. These measures showed mixed results. We note the likely outcomes below:

- **Madera County Measure T** (Sales Tax - Citizens Initiative – Majority Vote) to fund broad transportation improvements with main focus on streets, roads, and highways. Passing with 52.4 percent.
- **San Diego County Measure G** (Sales Tax - Citizens Initiative – Majority Vote) to prioritize rail and transit for traffic congestion relief. Failing with 48.9 percent.
- **Napa County Measure U** (Sales Tax Extension – 2/3rds Vote) for various uses, including NVRTA transit service. Passing with 72.5 percent.
- **Placer County Measure B** (New Sales Tax – 2/3rds Vote) to primarily fund streets, roads, and highways. Failing with 63.6 percent.
- **City of San Francisco Measure L** (Increased Tax on TNC/AV Rides – Citizens Initiative – Majority Vote) to fund transit operations. Received 56.9 percent, but failed due to another measure receiving more votes (Measure M).

#### ***CARB Adopts Fiscal Year 2024-25 Funding Plan for Clean Transportation Incentives***

On November 21, the California Air Resources Board adopted the proposed Fiscal Year 2024-25 Funding Plan for Clean Transportation Incentives.

The Funding Plan outlines how Clean Transportation Incentive funds, authorized by the Legislature and Governor, will be spent in the Fiscal Year. The Funding Plan appropriates \$35 million from the Air Quality Improvement Program for the following project categories: Innovative Small e-Fleet Pilot Project (\$14.97 million); Clean Off-Road Equipment (CORE) Project (\$14.97 million), and Zero-Emission Truck Loan Pilot (\$5 million). The Funding Plan also establishes a series of policy changes to help implement existing programs, including CORE. The main policy change impacting CORE limits access to the program to public agencies, like WETA, and small businesses.

### ***CalSTA's Transit Transformation Task Force Holds Sixth Meeting, Next Meeting to Take Place in Central Valley***

The California State Transportation Agency convened for its sixth meeting on October 28 in Monterey. This meeting, the third of several geared toward informing a report of recommendations required to be submitted to the Legislature by October 2025, focused on: changes to land use and housing policies that could improve public transit use; potential of transit-oriented development and value capture of property around transit stations as a source of sustainable revenue for transit operations; and strategies to provide first- and last-mile access to transit. The meeting also focused on reviewing a draft staff report on recommendations related to service and fare integration and transit safety and security.

As we have highlighted for you in our last few reports, the California Transit Association (the trade organization to which WETA belongs) is leading engagement in the Task Force discussions on behalf of California transit agencies. To inform the positions it takes at Task Force meetings, the Association has engaged its membership on the challenges / barriers they face in delivering improvements to transit service and has convened an internal Transit Transformation Advisory Committee to develop policy recommendations (for breaking past these challenges) for submittal to the Task Force.

Relative to the October 28 meeting, the Association, with the support of its Advisory Committee, developed recommendations for transmittal to the Task Force on the topics outlined above. These recommendations were shared with CalSTA and Association members on October 28. Relative to the draft staff report on recommendations related to service and fare integration and transit safety and security, the Task Force directed CalSTA to bring the recommendations back for further review, following edits that addressed Task Force members' concerns.

The next meeting of the Transit Transformation Task Force will take place on December 8 in the City of Clovis. This meeting is expected to cover the topics of fleet and asset management, including Innovative Clean Transit (ICT); new options for revenue sources; and 3) state departments and agencies for oversight and reporting.

The Task Force is subject to the state's open meeting requirements for state bodies, known as Bagley-Keene, and as such, all agenda materials are available on [CalSTA's website](#).

MEMORANDUM

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**TO:** Board Members

**FROM:** Seamus Murphy, Executive Director  
Michael Gougherty, Director of Planning  
Timothy Hanners, Director of Project Delivery & Engineering  
Thomas Hall, Director of Operations & Customer Experience  
Gabriel Chan, Transportation Planner  
Joseph Ramey, Project Development & Controls

**SUBJECT:** Monthly Operations, Ridership, and Recovery Report – December 2024

**Background**

**Operations**

Following the implementation of the new Swiftly system for ridership and service operations data in January 2023, staff are now able to develop accurate and real-time on-time performance and reliability reports. Staff will now aggregate and publish this data in the Monthly Operations, Ridership, and Recovery Report.

The following metrics are now included in this report:

- **On-Time Trips:** Trips arriving early, on-time, or less than five minutes after the scheduled arrival time.
- **Late Trips:** Trips arriving five minutes or more past the scheduled arrival time.
- **Cancelled Trips:** Cancelled trips not replaced by a substitute (backup) vessel.
- **On-Time Performance (OTP):** The percentage of total trips that arrived early, on-time, or less than five minutes after the scheduled arrival time.
- **Service Reliability:** The percentage of scheduled trips that were operated, after adjusting for trips cancelled.

In addition, staff will compare on-time performance and service reliability metrics of other ferry operators to those of WETA moving forward. On-time performance and reliability data will be sought from the following public ferry operators:

- Golden Gate Ferry
- Washington State Ferries
- Kitsap Transit
- Staten Island Ferry
- Massachusetts Bay Transportation Authority (MBTA) Ferry

This new component of the monthly report will also inform potential initiatives that staff can pursue to improve on-time performance and reliability along with input from the Board and others.

**Ridership**

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. WETA relaunched the South San Francisco service in November 2021.

The Plan enhanced service during midday and weekend periods to reflect 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. With the introduction of the new ridership database in January 2023, staff are now able to provide more in-depth insights about ridership data with greater precision and accuracy. This report provides a monthly update on ridership trends, comparisons to historical data and other regional transit operators, as well as upcoming service adjustments.

## **Discussion**

### **Operations**

#### Highlights:

- **On-time performance** averaged 97.0% systemwide January through November 2024, a slight increase compared to the same period in 2023 of 96.8%.
- On-time performance is generally consistent for weekends and weekdays, and across routes, with minor variations from month-to-month.
- On-time performance declined somewhat in November, at 94.4% compared to 96.4% in October. This decline appears driven mostly by impacts from vessel mechanical issues which impacted system capacity and temporary speed restrictions in the Oakland/Alameda Estuary arising from construction. The decline in on-time performance occurred primarily within the Oakland-Alameda service, which was most impacted by these factors. Inclement weather in mid-November likely resulted in additional impacts to on-time performance as well.
- **Service reliability** averaged 99.6% systemwide January through November 2024 compared to 99.4% for the same period in 2023.
- There was a total of 184 trip segments cancelled January through November combined, compared to 46,309 trip segments provided during these months. Cancelled trips represented just 0.4% of total scheduled trips during this period.
- SF Bay Ferry currently operates 17 vessels for non-pilot services. The agency expects to add an additional vessel, MV Karl, in the coming months, which will bring the fleet size to 18 vessels. This vessel provides additional capacity to maintain regular service, especially during periods where vessels are out of service for repairs and regular maintenance.
- WETA has similar, if not higher, levels of on-time performance and reliability compared to other public ferry operators analyzed. WETA's year-to-date on-time performance through August 2024 averaged 97.3% compared to 94.4% for other selected public ferry operators considered in this report. WETA's year-to-date reliability performance through August in 2024 averaged 99.5% compared to 99.1% for the other public ferry operators analyzed. WETA will continue to track and monitor this data in 2024 as it becomes available.

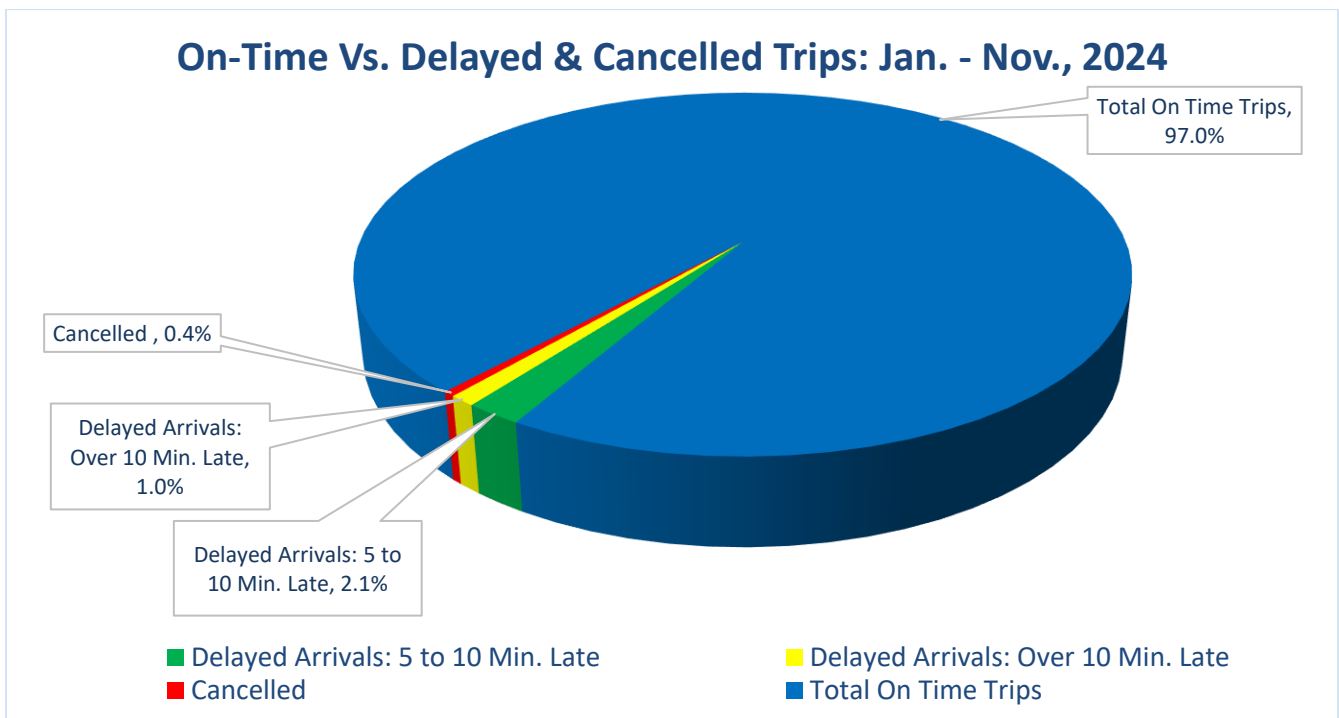
### **Ridership**

This report includes ridership data for November. SF Bay Ferry had over 182,000 boardings in November—2% lower than projections in the budget. Compared to the same month in 2019, ridership was about 77% of pre-pandemic. Year-over-year SF Bay Ferry ridership is about 7,000 boardings higher than November 2023. Compared to BART and Caltrain, SF Bay Ferry still outperforms in terms of ridership recovery. Rain and gloomy weather in mid-November hampered weekday ridership with Vallejo showing the most resilience. Richmond Free Ferry Fridays are proving to be very popular and have boosted ridership on that route.

**Appendix A. Operations Data Summary**

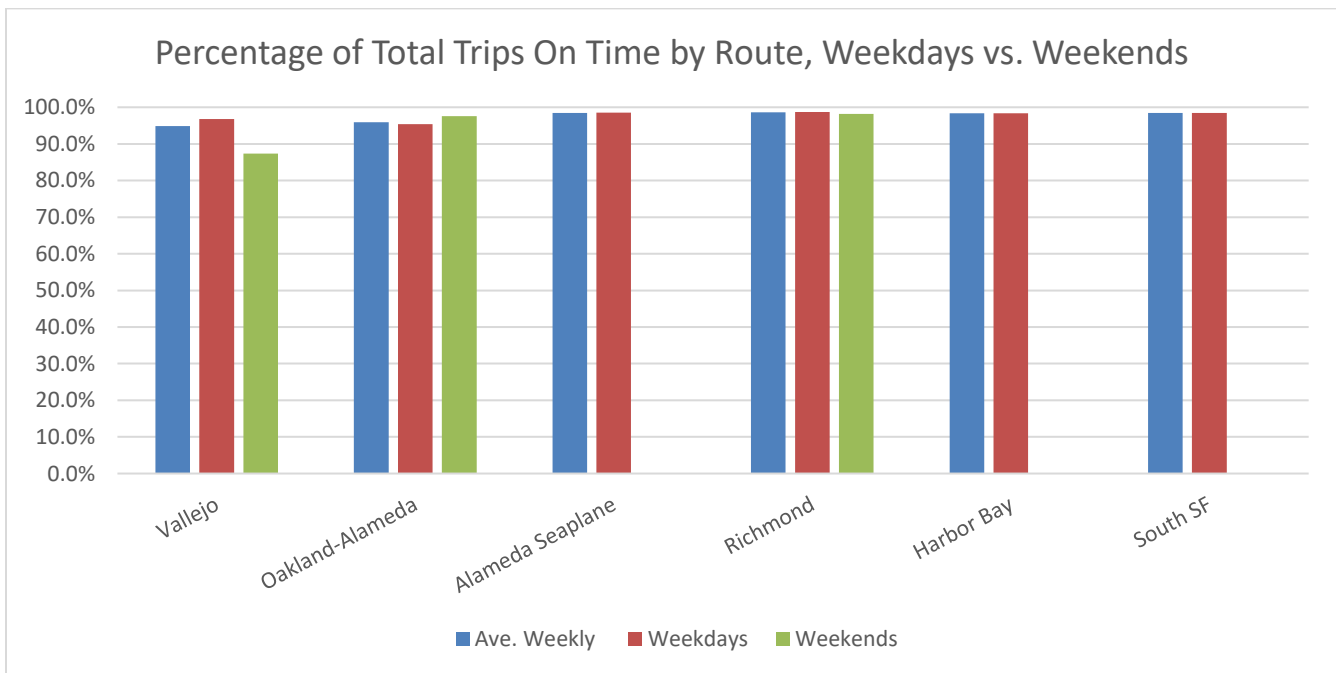
**Percentage of Trips On-Time: Year-to-Date (January – November 2024)**

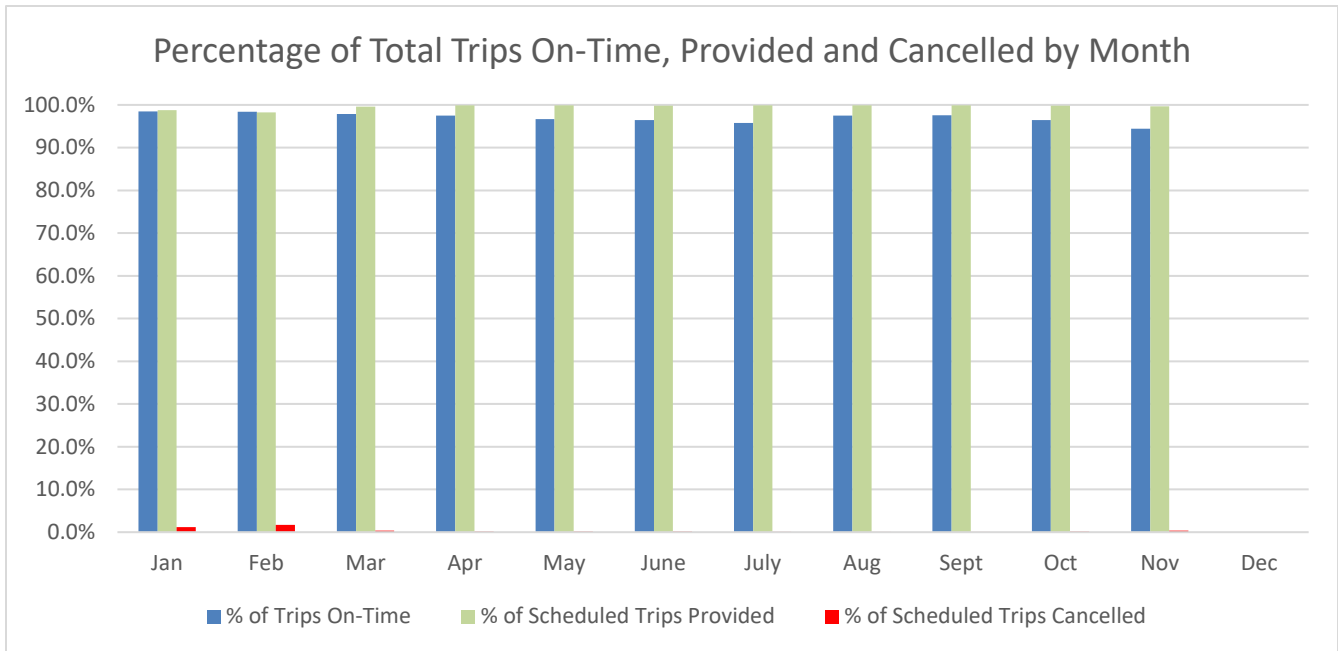
Route	Ave. Weekly	Weekdays	Weekends
Vallejo	94.9%	96.8%	87.4%
Oakland-Alameda	95.9%	95.4%	97.6%
Alameda Seaplane	98.5%	98.5%	Not Provided
Richmond	98.6%	98.7%	98.2%
Harbor Bay	98.4%	98.4%	Not Provided
South SF	98.4%	98.4%	Not Provided
<b>Total System</b>	<b>97.0%</b>	<b>97.3%</b>	<b>95.3%</b>



**On-Time Performance & Reliability by Month (January to November 2024)**

	<b>% of Trips On-Time</b>	<b>% of Scheduled Trips Provided</b>	<b>% of Scheduled Trips Cancelled</b>
January	98.5%	98.8%	1.2%
February	98.4%	98.3%	1.7%
March	97.9%	99.6%	0.4%
April	97.5%	99.9%	0.1%
May	96.7%	99.9%	0.1%
June	96.4%	99.9%	0.1%
July	95.8%	99.9%	0.1%
August	97.5%	99.9%	0.1%
September	97.6%	99.9%	0.1%
October	96.4%	99.8%	0.2%
November	94.4%	99.6%	0.4%
December			
<b>Annual Average</b>	<b>97.0%</b>	<b>99.6%</b>	<b>0.4%</b>





**WETA On-Time Performance & Reliability Compared to Other Ferry Operators, Ave. Jan. – Aug. 2024\***

	<b>% of Trips on Time</b>	<b>% of Scheduled Trips Provided</b>
Golden Gate	97.2%	99.3%
Washington State Ferries	84.5%	98.3%
Kitsap Transit	97.2%	99.2%
Massachusetts Bay Transportation Authority	98.6%	99.7%
<b>Average of Comps</b>	<b>94.4%</b>	<b>99.1%</b>
<b>WETA</b>	<b>97.3%</b>	<b>99.5%</b>
BART	74.8%	n/a
MUNI	83.5%	n/a
AC Transit	73.5%	n/a

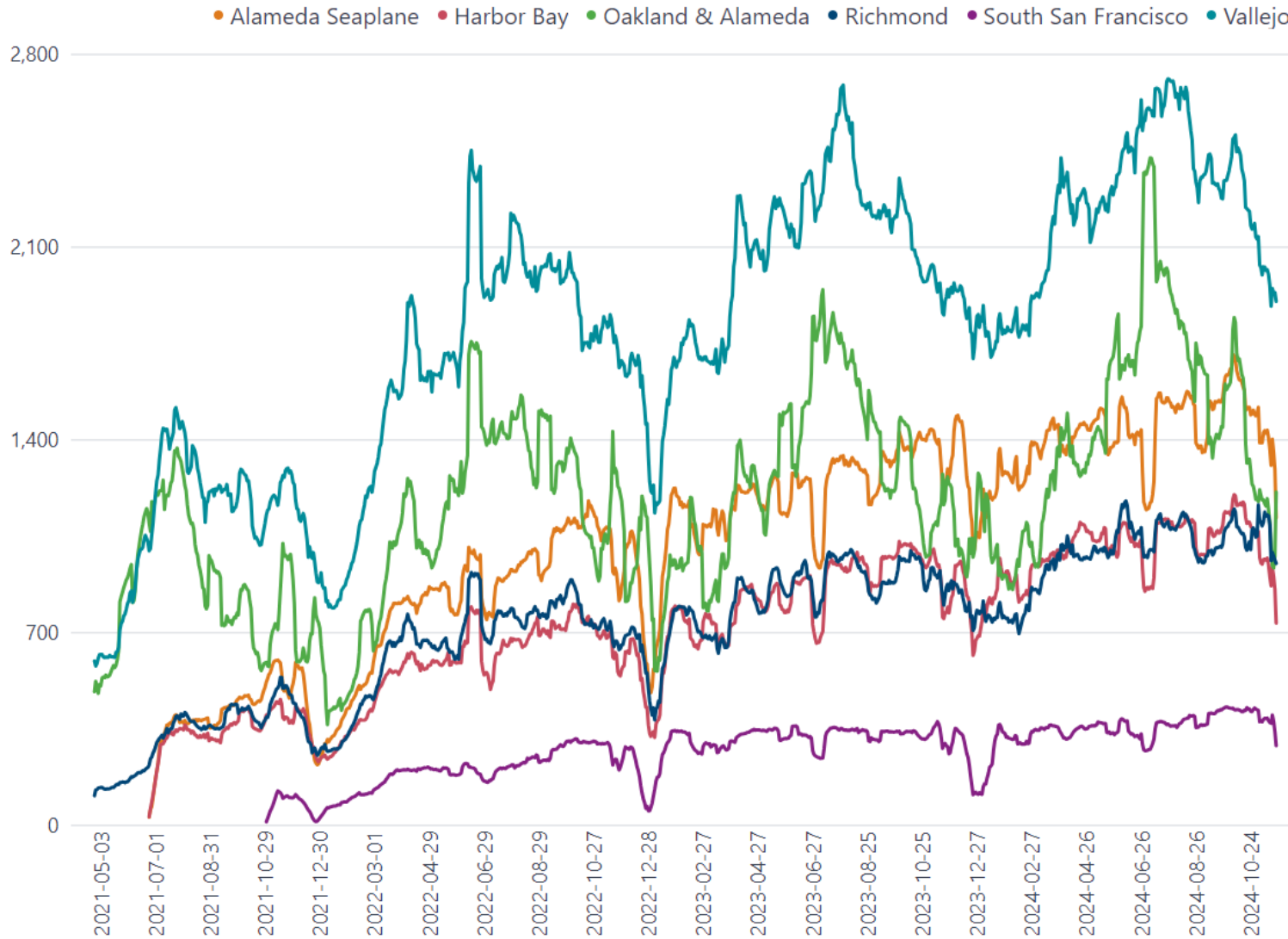
\* The definition of on-time performance varies among the other ferry and transit operators considered in this analysis. Some operators consider on-time performance based on late departures instead of late arrivals. Most operators define on-time trips as trips departing or arriving within 5 minutes of the scheduled departure or arrival time.

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### Appendix B. Ridership Data Summary

#### 10-Day Weekday Average Ridership

[Download CSV](#)

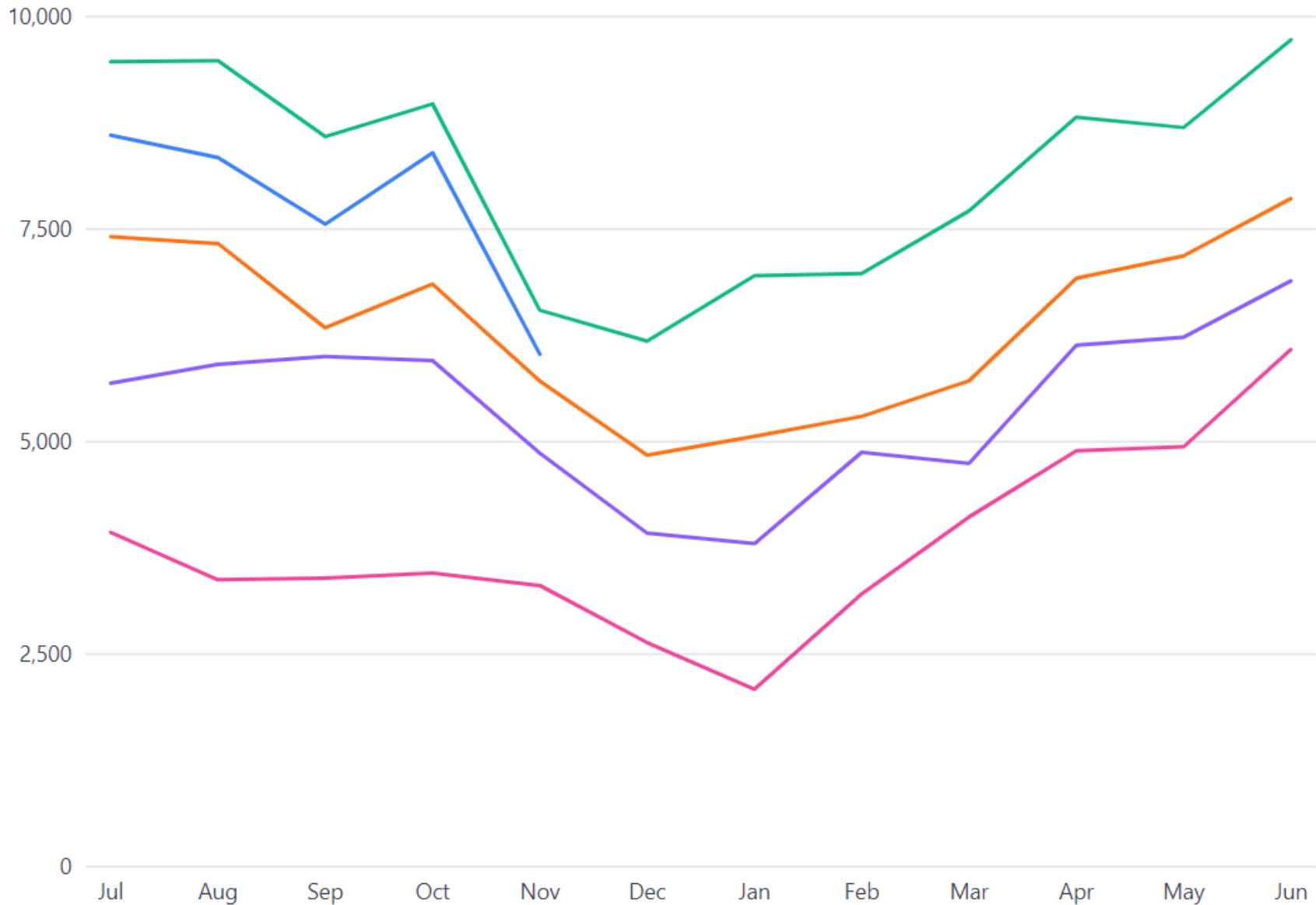


Ridership from other routes and event ridership is excluded.

### Average Daily Ridership By Month

[Download CSV](#)

FY2019 FY2022 FY2023 FY2024 FY2025

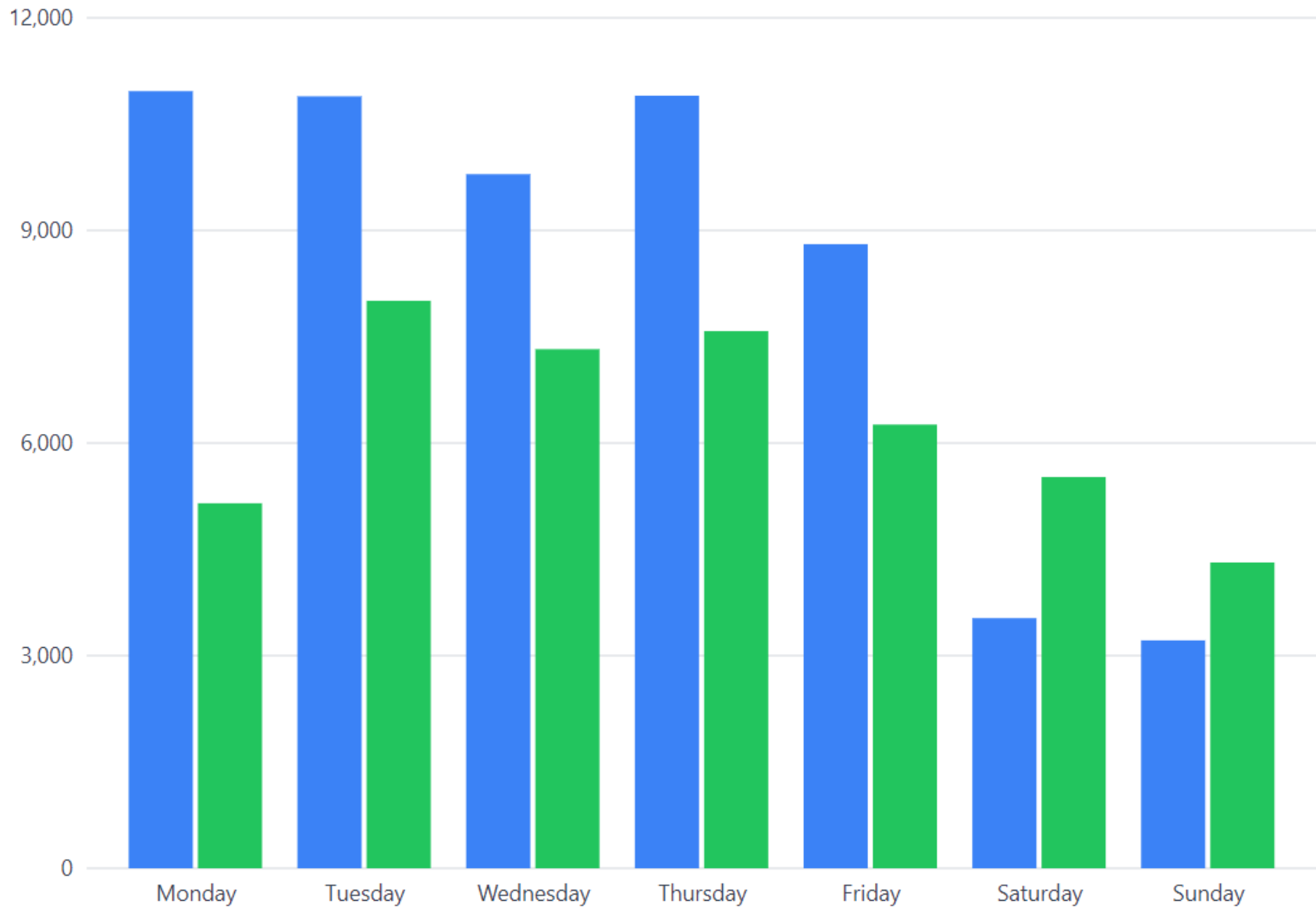


Event ridership is excluded.

### Average Ridership by Day of Week Systemwide

[Download CSV](#)

• November 2019 • November 2024

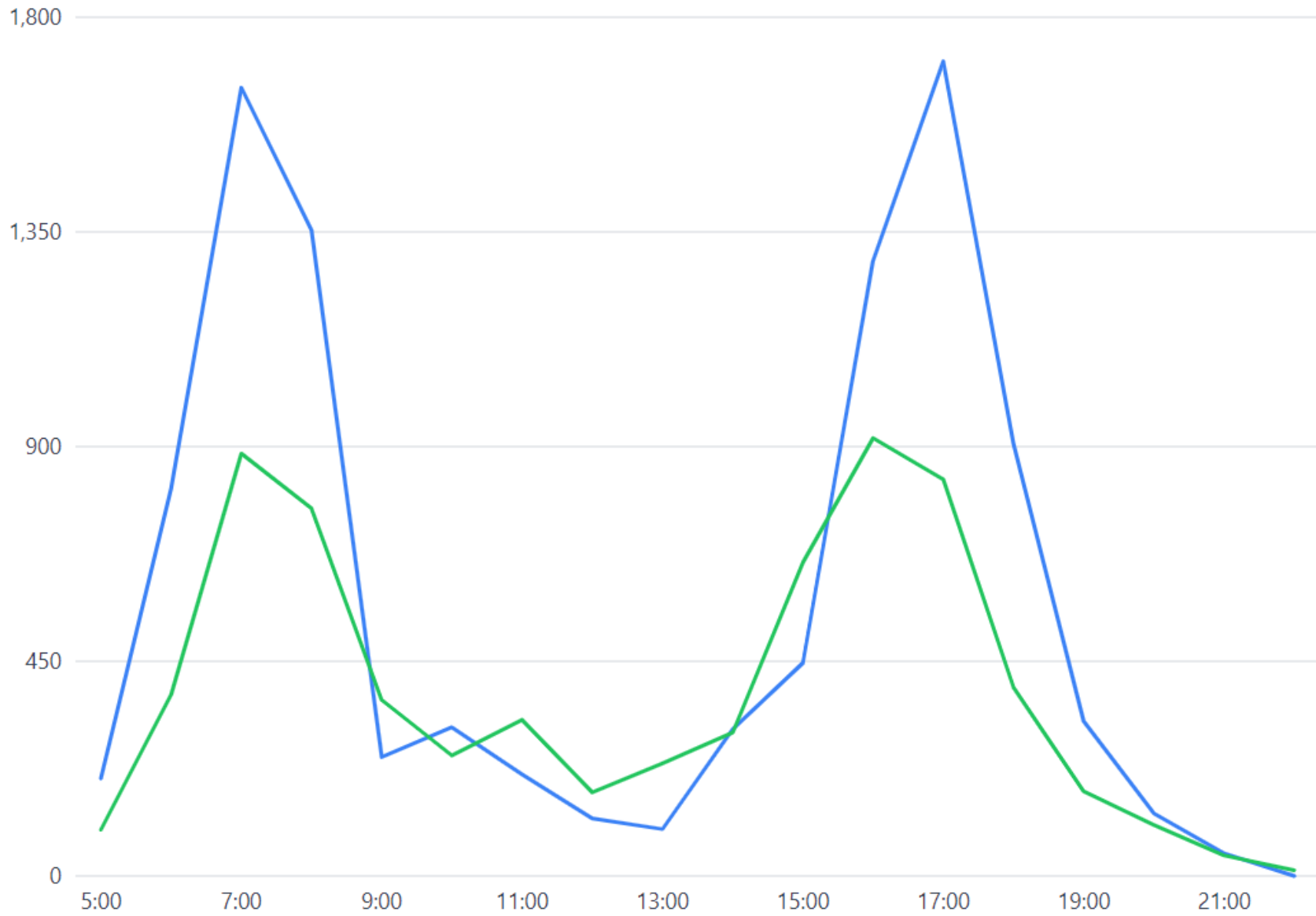


Event ridership is excluded. Holidays with no service are excluded.

### Average Weekday Hourly Ridership

[Download CSV](#)

• November 2019 • November 2024



Event ridership is excluded. Scheduled trip segment start time is used.

### Actual vs Budgeted Ridership

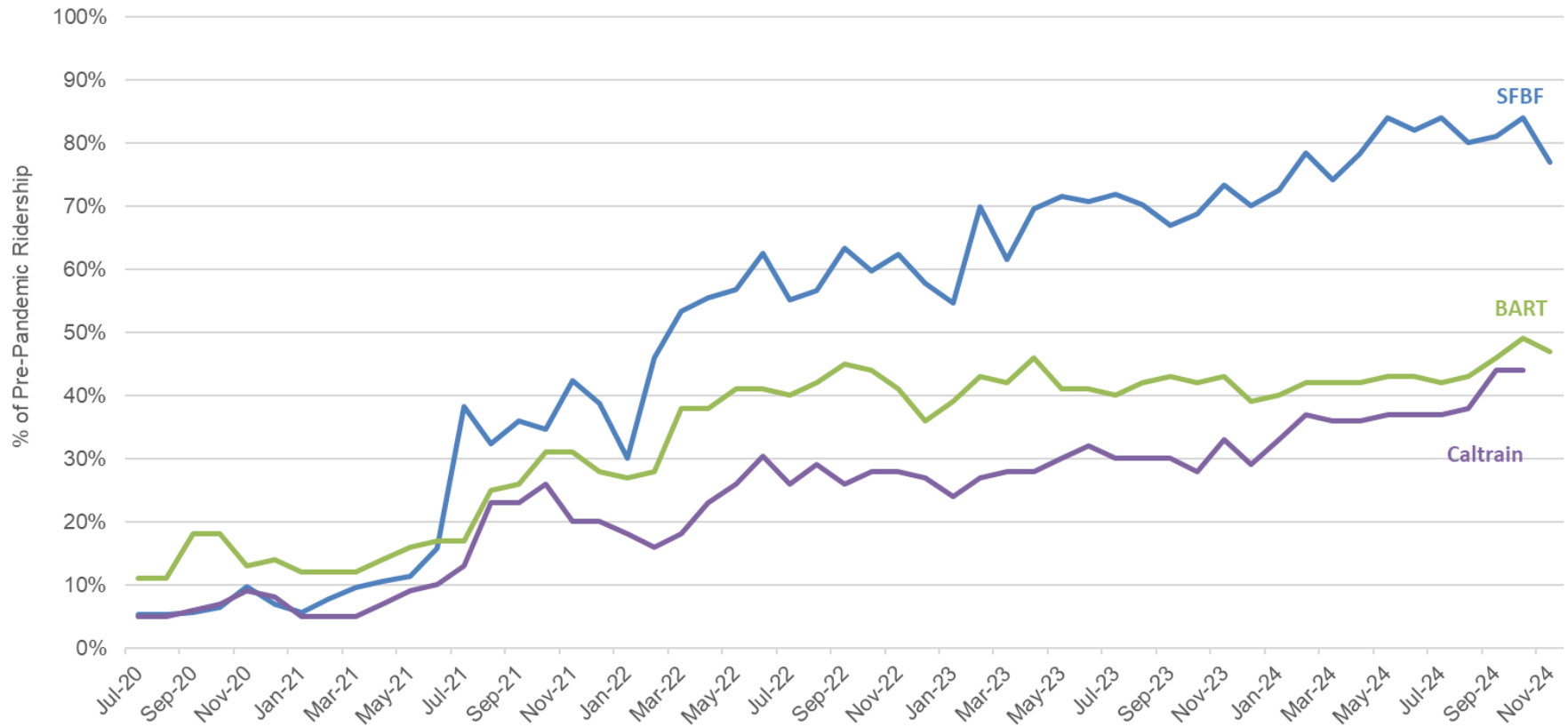
[Download CSV](#)

• Actual Ridership • WETA Budget Assumption



Event ridership is excluded.

### Regional Transit Ridership



## Operational Statistics

[Download CSV](#)

	Oakland & Alameda	Richmond	Harbor Bay	South San Francisco	Alameda Seaplane	Vallejo	San Francisco Pier 41 Short Hop	Oakland Alameda Water Shuttle	Chase Center	Systemwide
Total Ridership November 2024	46,208	24,525	17,005	6,751	25,430	51,222	1,510	8,173	1,927	182,751
Total Ridership October 2024	69,814	31,475	26,638	9,904	37,150	73,696	4,135	7,534	1,760	262,106
Percent Change	-33.8%	-22.1%	-36.2%	-31.8%	-31.5%	-30.5%	-63.5%	8.5%	9.5%	-30.3%
Total Ridership November 2024	46,208	24,525	17,005	6,751	25,430	51,222	1,510	8,173	1,927	182,751
Total Ridership November 2023	36,904	22,311	18,809	6,844	34,099	51,444	921	0	3,804	175,171
Percent Change	25.2%	9.9%	-9.6%	-1.4%	-25.4%	-0.4%	64%	Infinity%	-49.3%	4.3%
Total Ridership FY2025 to date	334,606	141,780	112,176	40,933	158,567	348,669	11,718	44,959	3,687	1,225,051
Total Ridership FY2024 to date	292,603	122,236	99,581	35,306	146,571	324,314	10,307	0	4,993	1,063,783
Percent Change	14.4%	16%	12.6%	15.9%	8.2%	7.5%	13.7%	Infinity%	-26.2%	15.2%
Average Weekday Ridership November 2024	1,197	1,027	945	375	1,413	1,966	32	233	385	6,895
Weekdays Operated in November 2024	20	20	18	18	18	20	6	12	5	20
Average Weekend Ridership November 2024	2,475	443				1,323	147	597		4,984
Weekend Days Operated in November 2024	9	9	0	0	0	9	9	9	0	9
Ridership Per Hour November 2024	100	75	95	55	137	74	49	76	330	87
Ridership Per Mile November 2024 <sup>†</sup>	7.1	4.1	5	3.2	8.2	2.7	3.3	37.7	27.3	4.5
Revenue Hours November 2024	462	328	179	122	185	691	31	107	6	2,111
Revenue Hours FY To Date	2,454	1,840	967	675	1,044	3,771	115	579	12	11,543
Revenue Miles November 2024 <sup>†</sup>	6,536.7	5,989	3,405.6	2,083.6	3,108	18,698.1	452.6	217	70.5	40,561.1
Revenue Miles FY To Date <sup>†</sup>	34,768	33,570.2	19,659.6	11,977	17,544.8	101,842.2	1,720.5	924.8	141	224,025.9
% of planned trip segments November 2024	99.4%	99.8%	100%	99.6%	99.6%	99.8%	89%	89.2%	100%	97.4%
% of trip segments on time November 2024 <sup>*</sup>	98.6%	99.5%	92.4%	99.6%	98.5%	98.1%	98.4%			98%

[View Trips >](#)
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<sup>†</sup>Statute miles.

<sup>\*</sup>On time is less than 10 min of delay in arriving.

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

*[November 14, 2024]*

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 1:00 p.m.

**2. ROLL CALL**

Chair James Wunderman, Vice Chair Monique Moyer, Director Jessica Alba, Director Jeffrey DelBono, and Director Pippin Dew were in attendance.

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 congratulated staff on the receipt of two discretionary grant awards that will provide investment in future decarbonization and expansion of the system.

Chair Wunderman said that the US Environmental Protection Agency (EPA) Clean Ports Program is providing \$55 million of funding to complete the construction of a new ferry terminal at Mission Bay, purchase of an additional 400-passenger electric battery-electric vessel, and support of regional workforce development programs and that the California State Transportation Agency (CalSTA) Transit and Intercity Rail Capital Program (TIRCP) awarded \$12.5 million of funding to support the electrification and construction of charging infrastructure at the Harbor Bay Ferry Terminal.

**4. REPORTS OF DIRECTORS**

Director Dew reported that the first cohort from the Working Waterfront Coalition (Coalition) will have a 100 percent graduation and believes that almost all have already received job offers. She thanked Executive Director Seamus Murphy for supporting the efforts and providing contacts for recipients of workforce development grants for justice-involved youth.

The Directors congratulated and thanked the staff and team for their vision and plans to bring forward the grant proposals and looked forward to celebrating final delivery.

**5. REPORTS OF STAFF**

Mr. Murphy introduced new staff Budget Analyst Hector Lopez who has six years of grant compliance and financial analysis.

Mr. Murphy reported that he had attended the Interferry 2024 Conference focusing on safety, security, and sustainability held in Marrakech, Morocco as a member of the Interferry Board of Directors. He said that highlights were global trends in decarbonization and electrification.

Mr. Murphy emphasized the rising costs of capital projects due to inflation, supply chain issues, and project delays due to a lack of skilled labor.

Chief Financial Officer Erin McGrath provided a summary of the grants secured and said that there is significant funding for electrification efforts.

Mr. Murphy thanked SF Port Staff for their collaboration on the EPA grant application.

Mr. Murphy shared a picture of the MV *Karl*, the first vessel to include diesel particulate filter (DPF) technology and said that the vessel was going through sea trials at Dakota Creek and is expected to join the SF Bay Ferry fleet by early next year.

Director of Operations and Customer Experience Thomas Hall provided an update on two exercises participated and conducted in October 1) the transportation of disaster service workers as part of San Francisco Fleet Week Exercise and 2) a staff emergency operations functional exercise conducted to test emergency response capabilities which included a hybrid activation of a virtual Emergency Operations Center (EOC) via Microsoft Teams. He acknowledged Operations Administrator Kevin Donnelly for planning the exercise and keeping the training going allowing Emergency Response and Safety Analyst Cameron Bochman to observe.

Public Information and Marketing Manager Alexis Matsui shared her presentation on the website redesign project and some of the major highlights which include live interactive maps and a trip planner prioritizing any ferry in the next half hour, user-friendly navigation, vessel fleet, and a single website under [sanfranciscobayferry.com](http://sanfranciscobayferry.com) with language and accessibility tools expected to go live on Monday.

Mr. Murphy provided five written reports and invited Director of Project Delivery and Engineering Timothy Hanners provided an update on the recent vessel issues, service disruptions, maintenance program, and engineering and operational changes to prevent future issues, and the safety and notification procedures. He said that any issues are brought to the attention of Mr. Murphy, Mr. Hall, and himself to ensure a coordinated response.

Mr. Hanners invited Mr. Hall to talk about some of the things SF Bay Ferry is doing to minimize the effect on passengers. Mr. Hall stated that safety is a top priority and that SF Bay Ferry worked with Blue & Gold Fleet (Bue & Gold) to use Blue & Gold's MV *Bay Monarch* to minimize disruptions and cancellations.

The Directors asked to be kept informed about the service disruptions.

Transportation Planner Gabriel Chan reported that SF Bay Ferry had over 262,000 boardings in October – 14 percent higher than budgeted projections.

Mr. Murphy asked Chief Capital Program Officer Gary Griggs to present the first quarterly review of the capital program. Mr. Griggs shared his presentation on the status of the capital program which consists of the maintenance, rehabilitation, and expansion of the SF Bay Ferry system including conversion to zero-emissions operations. He discussed the accomplishments, key performance indicators for managing and delivering the program, challenges, and look ahead of future activity.

Mr. Murphy concluded the Executive Director's report and offered to answer questions.

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

## **6. CONSENT CALENDAR**

Director DelBono made a motion to approve the consent calendar:

- a. Approve Board Meeting Minutes – October 10, 2024
- b. Approve Board of Directors Meeting Schedule for Calendar Year 2025
- c. Authorize Correction to Second Amendment to Agreement with RIM Architects, LLP for Services Related to Office Reconfiguration Projects
- d. Authorize Participation in MTC's Interagency Transfer Pilot Program
- e. Item 6e – pulled from Consent Calendar
- f. Item 6f – pulled from Consent Calendar
- g. Item 6g – pulled from Consent Calendar
- h. Item 6h – pulled from Consent Calendar

Chair Wunderman requested pulling Item 6e – 6g from the Consent Calendar for comment and questions.

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, Moyer, Wunderman. Nays: None. Absent: None.

- e. Authorize Contract Award to Anchor QEA for Oakland and Harbor Bay Ferry Terminal Modernization Projects, Environmental Review and Permitting Services

Chair Wunderman asked why price was not included as a criterion for awarding this contract. Attorney Steven Miller of Hanson Bridgett LLP explained that contracts for architect and engineering services must be awarded based on criteria that include qualifications and not price under both federal and state law unlike other types of contracts. He added that negotiation for a fair and reasonable price was allowed and standard practice after scoring proposals.

Director Alba made a motion to adopt Resolution No. 2024-47 approving this item.

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

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

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

- f. Award Contract for MV Pyxis and MV Vela Repairs and Drydock to Bay Ship & Yacht Co.

Senior Project Manager Jeffery Powell clarified questions about the item.

Director DelBono made a motion to adopt Resolution No. 2024-48 approving this item.

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

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

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

- g. Award Contract for Gemini Class Mid-life Refurbishment to Bay Ship & Yacht Co.

Mr. Powell provided a summary of the scope of work and that the methodology for the award was the best value approach, including price as a criterion unlike the architect and engineering award previously discussed.

Government and Regulatory Affairs Specialist addressed questions about Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) goals. The Directors requested more explanation and reporting about the goals in future.

Director Dew made a motion to adopt Resolution No. 2024-49 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, Dew, Moyer, Wunderman. Nays: None. Absent: None

- h. Approve Sole Source Contract Award to Northern Lights Power & Energy Inc. for Main Engine Preventative Maintenance Services

Mr. Powell provided an explanation of the sole source reasoning and information on the services.

Mr. Hanners said that WETA has had discussions with vendors about providing these services with local support in the Bay Area.

Director DelBono made a motion to adopt Resolution No. 2024-50 approving this item.

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

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

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

## **7. ADOPT WETA TERMINAL ACCESS GUIDELINES**

Mr. Chan presented this item recommending adopting WETA Terminal Access Guidelines. He provided a summary of the major changes incorporated into the guidelines from Director comments.

Director Alba made a motion to adopt Resolution No. 2024-51 approving this item.

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

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

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

## **8. NON-RIDER RESEARCH AND MARKETING UPDATE**

Mr. Hall introduced this item and Corey, Canapary & Galanis Executive Vice President Jon Canapary to present the non-rider research and marketing update. He shared the research and marketing presentation for the group. Mr. Canapary emphasized that top, very positive considerations for using the ferry included environmental, traffic, and reliability.

Mr. Hall invited Ms. Matsui to talk about the listening session that focused on ridership of the Black and Latino community, MacKenzie Communications, Inc. Executive Vice President Daniel Hutson to present an overview of the brand awareness campaign and performance metrics, and D&A Communications Senior Communications Manager Melanie Brand and Alyson Ramirez to introduce the low-propensity rider marketing and outreach campaign and strategic approach.

Mr. Hall closed out the item about next steps with final comments from Mr. Murphy.

The Directors provided some feedback and thanked the marketing team for their work and efforts.

**9. PUBLIC COMMENTS FOR NON-AGENDA ITEMS**

Port of Redwood City (Port) Commission Vice Chair Nancy Radcliffe introduced herself as the new representative for the Port after the retirement of Lorianna Kastrop.

**10. RECESS INTO CLOSED SESSION**

- a. Public Employee Performance Evaluation; Conference with Labor Negotiator  
Pursuant to Government Code Sections 54957(b)(1) and 54957.6  
Title: Executive Director  
Agency Designated Representative: Jim Wunderman

Chair Wunderman recessed the meeting at 3:43 p.m., and the Directors met in closed session.

**11. REPORT OF ACTIVITY IN CLOSED SESSION**

Upon returning to open session at 4:41 p.m., Chair Wunderman reported that the Directors had discussed Mr. Murphy's employment and performance. Based upon the positive comments received, Chair Wunderman made a motion to adopt Resolution 2024-52 amending the Executive Director employment agreement for Mr. Murphy increasing the base salary by 5 percent to a new annual amount of \$338,441.

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

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

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

With all business concluded, Chair Wunderman adjourned the meeting at 4:44 p.m.

- Board Secretary

\*\*\*END\*\*\*

MEMORANDUM

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**TO:** Board Members

**FROM:** Seamus Murphy, Executive Director  
Erin McGrath, Chief Financial Officer  
Jennifer Raupach, Grants Manager

**SUBJECT:** Authorize the Execution of a Funding Agreement with the California Energy Commission for \$4,999,994 in Clean Transportation Program Funds

**Recommendation**

Authorize the Executive Director, or his designee, to execute an agreement with the California Energy Commission (CEC) for Clean Transportation Program (CTP) funds in the amount of \$4,999,994 to support the Harbor Bay Electric Float and Battery project.

**Background**

Assembly Bill 118 created the Clean Transportation Program (CTP) to support projects that help achieve California's climate change policies and that reduce greenhouse gas (GHG) emissions from the transportation sector. CTP is administered through the California Energy Commission (CEC) and establishes an annual budget of approximately \$100 million.

In August 2021, SF Bay Ferry received a \$200,000 award from the CEC to develop a blueprint planning document to support the implementation of zero-emission vehicle charging and/or hydrogen refueling infrastructure projects resulting from GFO-20-601, "Blueprints for Medium- and Heavy-Duty (MDHD) Zero-Emission Vehicle Infrastructure." This planning effort resulted in the "Blueprint for Zero Emission Vessel Transition" (January 2023), which is the planning document outlining SF Bay Ferry's Rapid Electric Emission Free (REEF) Ferry Program.

The Blueprint allowed SF Bay Ferry to qualify for the "Implementation of Medium- and Heavy-Duty Zero-Emission Vehicle Infrastructure Blueprints" funding opportunity, intended to support the implementation of projects identified in the Blueprint.

**Discussion**

SF Bay Ferry submitted an application in September 2023, and in August 2024, the CEC awarded SF Bay Ferry a grant for \$4,999,994 for the Harbor Bay Ferry Terminal. The funding will support the construction of a fully-functional electrified float and battery energy storage system. The Blueprint outlines the construction of "charging floats" specifically designed to house battery energy storage systems and power electronics within the float. A charging float is critical for the successful operation of battery-electric vessels, as it provides the capability to charge during docking.

The agreement (attached) outlines an extensive scope of work, schedule of products and project budget to comply with the intent of the CTP program.

**Fiscal Impact**

The total project cost for construction of the Harbor Bay Electric Float and Battery project is \$12,106,663. Funding consists of \$4,999,994 (41% of total cost) from the CEC's Medium- and Heavy-Duty Zero-Emission Vehicle Infrastructure Blueprint (#GFO-23-603) program. The remaining \$7,106,669 (58% of total cost) will come from the recently awarded TIRCP Cycle 7 funds (\$7,000,000), and Regional Measure 3 (RM3) and Alameda Measure BB (\$106,669, combined).

\*\*\*END\*\*\*



RECIPIENT <b>San Francisco Bay Area Water Emergency Transportation Authority</b>	AGREEMENT NUMBER <b>ARV-23-017</b>
ADDRESS Pier 9, Suite 111 San Francisco, CA 94111	AGREEMENT TERM <b>08/14/2024 – 03/31/2028</b> The effective date of this Agreement is either the start date or the approval signature date by the California Energy Commission representative below, whichever is later. The California Energy Commission shall be the last party to sign. No work is authorized, nor shall any

PROJECT DESCRIPTION  
 The parties agree to comply with the terms and conditions of the following Exhibits which are by this reference made a part of the agreement.

<b>Exhibit A – Scope of Work</b>	Page(s): 25
Exhibit A-1 – Project Schedule	Page(s): 2
<b>Exhibit B – Budget</b>	Page(s): 14
<b>Exhibit C – General Terms and Conditions</b>	Page(s): 40
<b>Exhibit D – Contacts List</b>	Page(s): 1

REIMBURSABLE AMOUNT <b>\$ 4,999,994</b>
MATCH SHARE REQUIRED <b>\$ 6,521,556</b>
TOTAL OF REIMBURSABLE AMOUNT AND MINIMUM MATCH <b>\$ 11,521,550</b>

*The undersigned parties have read the attachments to this agreement and will comply with the standards and requirements contained therein.*

<b>CALIFORNIA ENERGY COMMISSION</b>		<b>San Francisco Bay Area Water Emergency Transportation Authority</b>	
AUTHORIZED SIGNATURE	DATE	AUTHORIZED SIGNATURE	DATE
NAME <b>Adrienne Winuk</b>		NAME	
TITLE <b>Contracts, Grants, and Loans Office Manager</b>		TITLE	
CALIFORNIA ENERGY COMMISSION ADDRESS <b>1516 9th Street, MS 18, Sacramento, CA 95814</b>			

## Exhibit A SCOPE OF WORK

### TECHNICAL TASK LIST

Task #	CPR	Task Name
1		Administration
2	X	Engineering and Design
3	X	Charging Float Construction
4		Operations and Reliability
5		Semi-Annual Electric Vehicle Charger Inventory Reports
6		Data Collection and Analysis
7		Project Fact Sheet

### KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Jan Rybka, Joe Ramey, Jennifer Raupach (San Francisco Bay Water Emergency Transportation Authority (WETA))		
2	Jan Rybka (WETA),	Aurora Marine Design, Liftech Consultants, Inc.	
3	Jan Rybka (WETA),	Aurora Marine Design and TBD builder	
4	Jeff Powell (WETA)		
5	Jeff Powell (WETA)		
6	Joe Ramey (WETA)		Blue & Gold Fleet
7	Joe Ramey (WETA)	Aurora Marine Design	

### GLOSSARY

*Specific terms and acronyms used throughout this scope of work are defined as follows:*

## Exhibit A SCOPE OF WORK

<b>Term/ Acronym</b>	<b>Definition</b>
AB	Assembly Bill
AC Level 2	Alternating current. A charger that operates on a circuit from 208 volts to 240 volts and transfers AC electricity to a device in an electric vehicle (EV) that converts AC to direct current to charge an EV battery.
ADA	Americans with Disabilities Act
API	Application programming interface. A type of software interface that offers service to other pieces of software. An API allows two or more computer programs to communicate with each other.
BESS	Battery Energy Storage System
CAM	Commission Agreement Manager
CAO	Commission Agreement Officer
CEC	California Energy Commission
Charge attempt	Any instance of an EV driver taking action to initiate a charging session by taking one or all of the following steps in any order: 1) attaching the connector to the EV appropriately or 2) attempting to authorize a charging session by use of radio frequency identification (RFID) technology, credit card, charging network provider smartphone application (app), screen input, or calling the charging network provider's customer service number.
Charger	A device with one or more charging ports and connectors for charging EVs. Also referred to as electric vehicle supply equipment (EVSE). This definition excludes any charger used solely for private use at a single-family residence or a multifamily dwelling with four or fewer dwelling units.
Charging network	A collection of chargers located on one or more property(ies) that are connected via digital communications to manage the facilitation of payment, the facilitation of electrical charging, and any related data requests.
Charging network provider	The entity that provides the digital communication network that remotely manages the chargers. Charging network providers may also serve as charging station operators and/or manufacture chargers.
Charging port	The system within a charger that charges one EV. A charging port may have multiple connectors, but it can provide power to charge only one EV through one connector at a time.

## Exhibit A SCOPE OF WORK

Term/ Acronym	Definition
Charging session	The period after a charge attempt during which the EV is allowed to request energy. Charging sessions can be terminated by the customer, the EV, the charger, the charging station operator, or the charging network provider.
Charging station	The area in the immediate vicinity of one or more chargers and includes the chargers, supporting equipment, parking areas adjacent to the chargers, and lanes for vehicle ingress and egress. A charging station could comprise only part of the property on which it is located.
Charging station management system	A system that may be used to operate a charger, to authorize use of the charger, or to record or report charger data, such as by using OCPP.
Charging station operator	The entity that owns the chargers and supporting equipment and facilities at one or more charging stations. Although this entity may delegate responsibility for certain aspects of charging station operation and maintenance to subcontractors, this entity retains responsibility for operation and maintenance of chargers and supporting equipment and facilities. In some cases, the charging station operator and the charging network provider are the same entity.
Connector	The device that attaches an EV to a charging port in order to transfer electricity.
Corrective maintenance	Maintenance that is carried out after failure detection and is aimed at restoring an asset to a condition in which it can perform its intended function.
CPR	Critical Project Review
CTP	Clean Transportation Program
Depot	Type of “home base” behind-the-fence location where a vehicle is typically kept when not in use (usually parked on a nightly basis).
DCFC	Direct current fast charger. A charger that enables rapid charging by delivering direct-current (DC) electricity directly to an EV's battery.
Downtime	A period of time that a charger is not capable of successfully dispensing electricity or otherwise not functioning as designed. Downtime is calculated pursuant to Task 4.
EV	Electric vehicle. A vehicle that is either partially or fully powered on electric power received from an external power source. For the purposes of this Agreement, this definition does not include golf carts, electric bicycles, or other micromobility devices

## Exhibit A SCOPE OF WORK

<b>Term/ Acronym</b>	<b>Definition</b>
EVSE	Electric vehicle supply equipment. A charger as defined.
Excluded downtime	Downtime that is caused by events pursuant to Task 4.4.
Failed charging session	Following a charge attempt, the criteria for a successful charging session were not met.
FTD	Fuels and Transportation Division
GFO	Grant Funding Opportunity
GHG	Greenhouse Gas
Hardware	The machines, wiring, and other physical components of an electronic system including onboard computers and controllers.
Inoperative state	The charger or charging port is not operational.
Installed	Attached or placed at a location and available for use for a charging session. The date a charger is installed is the date it is first available for use for a charging session.
Interoperability	Successful communication between the software, such as the software controlling charging on the EV and the software controlling the charger. Interoperability failures are communication failures between the EV and charger that occur while the software of each device is operating as designed. Interoperability failure leads to failed charging sessions.
Maintenance	Any instance in which preventive or corrective maintenance is carried out on equipment.
Networked	A charger can receive or send commands or messages remotely from or to a charging network provider or is otherwise connected to a central management system, such as by using OCPP 2.0.1, for the purposes of charger management and data reporting.
Nonnetworked charger	A charger that is not networked.
OCPP	Open Charge Point Protocol. An open-source communication protocol that specifies communication between chargers and the charging networks that remotely manage the chargers.
Operational	Or “up.” A charging port’s hardware and software are both online and available for use, or in use, and the charging port is capable of successfully dispensing electricity.

## Exhibit A SCOPE OF WORK

<b>Term/ Acronym</b>	<b>Definition</b>
Operative state	The charger is operational.
Preventative maintenance	Maintenance that is performed on physical assets to reduce the chances of equipment failure and unplanned machine downtime.
Private	Charging ports located at parking space(s) that are privately owned and operated, often dedicated to a specific driver or vehicle (for example, a charging port installed in a garage of a single-family home).
Public	Charging ports located at parking space(s) designated by the property owner or lessee to be available to and accessible by the public.
Recipient	San Francisco Bay Area Water Emergency Transportation Authority
Shared Private	Charging ports located at parking space(s) designated by a property owner or lessee to be available to, and accessible by, employees, tenants, visitors, and residents. Examples include workplaces and shared parking at multifamily residences.
Software	A set of instructions, data, or programs used to operate computers and execute specific tasks.
Successful charging session	Following a charge attempt, a customer's EV battery is charged to the state of charge the customer desires and is disconnected manually by the customer or by the EV's onboard software system terminating the charging session, without an additional charge attempt.
Uptime	The time that a charger is installed during a reporting period excluding downtime pursuant to Task 4.4.
WETA	San Francisco Bay Area Water Emergency Transportation Authority

### Background

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007) created the Clean Transportation Program (CTP) to help achieve California's climate change policies and support projects that reduce greenhouse gas (GHG) emissions from the transportation sector. AB 8 (Perea, Chapter 401, Statutes of 2013) extended the program through January 1, 2024, and AB 126 (Reyes, Chapter 319, Statutes of 2023) extended the program through July 1, 2035, and focused the program on zero-emission transportation.

The CTP has an annual budget of approximately \$100 million and provides financial support for projects that:

- Develop and deploy zero-emission technology and fuels in the marketplace where feasible and near-zero-emission technology and fuels elsewhere.
- Produce alternative and renewable low-carbon fuels in California.

## **Exhibit A SCOPE OF WORK**

- Deploy zero-emission fuel infrastructure, fueling stations, and equipment where feasible and near-zero-emission fuel infrastructure, fueling stations, and equipment elsewhere.
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

On September 19, 2023, the California Energy Commission (CEC) released a Grant Funding Opportunity (GFO) entitled “Implementation of Medium- and Heavy-Duty Zero-Emission Vehicle Infrastructure Blueprints.” This competitive grant solicitation was to support the implementation of zero-emission vehicle charging and/or hydrogen refueling infrastructure projects developed and identified in the final blueprint planning documents resulting from GFO-20-601, “Blueprints for Medium- and Heavy-Duty (MDHD) Zero-Emission Vehicle Infrastructure.” In response to GFO-23-603, the Recipient submitted application #09 which was proposed for funding in the CEC’s Notice of Proposed Awards on February 12, 2024. GFO-23-603 and Recipient’s application are hereby incorporated by reference into this Agreement in their entirety.

In the event of any conflict or inconsistency between the terms of the Solicitation and the terms of the Recipient’s Application, the Solicitation shall control. In the event of any conflict or inconsistency between the Recipient’s Application and the terms of this Agreement, this Agreement shall control. Similarly, in the event of any conflict or inconsistency between the terms of this Agreement and the Solicitation, the terms of this Agreement shall control.

### **Problem Statement:**

The ferry services operated by the San Francisco Bay Area Water Emergency Transportation Authority (WETA) carry about three million passengers per year on five routes serving 10 terminals. WETA’s fleet of 15 high-speed, high-capacity vessels are the cleanest in the nation; however, they still utilize diesel technology which results in GHG emissions. More needs to be done to support the goals set by California’s leaders for reducing harmful emissions and decreasing the climate impacts from transportation. Implementing zero-emission technology is the next step for WETA to help California meet the GHG reduction goals outlined in AB 32 which establishes a goal to reduce GHGs to 40 percent below 1990 levels by 2030.

### **Goals of the Agreement:**

The goal of this Agreement is to expand the capability and operability of WETA’s future electric ferry vessel fleet by constructing a new electrified floating dock and associated equipment that will incorporate charging infrastructure and a battery energy storage system (BESS) to facilitate the charging of WETA’s battery-electric ferry. This combination of dock, charger, and BESS will be referred to as a “charging float.”

### **Objectives of the Agreement:**

The objectives of this Agreement are to convert California’s largest public ferry fleet to zero-emission technologies and contribute towards meeting California’s emission reduction goals. Specifically, the project will:

- Deploy a charging float.

## **Exhibit A SCOPE OF WORK**

- Ensure that the charger uptime is at least 97 percent each year for six years after the beginning of operation.
- Collect and analyze operational data from the ferry, electric vehicle supply equipment (EVSE), and BESS to support original equipment manufacturers, utilities, government agencies, and other stakeholders to better understand barriers of battery-electric ferry deployments.

### **TASK 1 ADMINISTRATION**

#### **Task 1.1 Attend Kick-off Meeting**

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement. The Commission Agreement Manager (CAM) shall designate the date and location of this meeting and provide an agenda to the Recipient prior to the meeting.

#### **The Recipient shall:**

- Attend a “Kick-Off” meeting that includes the CAM and may include the Commission Agreement Officer (CAO) and a representative of the CEC Accounting Office. The Recipient shall bring their Project Manager, Agreement Administrator, Accounting Officer, and any others determined necessary by the Recipient or specifically requested by the CAM to this meeting.
- Provide a written statement of project activities that have occurred after the notice of proposed awards but prior to the execution of the agreement using match funds. If none, provide a statement that no work has been completed using match funds prior to the execution of the agreement. All pre-execution match expenditures must conform to the requirements in the Terms and Conditions of this Agreement.
- Discuss the following administrative and technical aspects of this Agreement:
  - Agreement Terms and Conditions
  - Critical Project Review (Task 1.2)
  - Match fund documentation (Task 1.7) No reimbursable work may be done until this documentation is in place.
  - Permit documentation (Task 1.8)
  - Subawards needed to carry out project (Task 1.9)
  - The CAM’s expectations for accomplishing tasks described in the Scope of Work
  - An updated Schedule of Products and Due Dates
  - Monthly Calls (Task 1.4)
  - Quarterly Progress Reports (Task 1.5)
  - Technical Products (Product Guidelines located in Section 5 of the Terms and Conditions)

## **Exhibit A SCOPE OF WORK**

- Final Report (Task 1.6)

### **Recipient Products:**

- Updated Schedule of Products
- Updated List of Match Funds
- Updated List of Permits
- Written Statement of Match Share Activities

### **Commission Agreement Manager Product:**

- Kick-Off Meeting Agenda

### **Task 1.2 Critical Project Review (CPR) Meetings**

CPRs provide the opportunity for frank discussions between the CEC and the Recipient. The goal of this task is to determine if the project should continue to receive CEC funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

The CAM may schedule CPR meetings as necessary, and meeting costs will be borne by the Recipient.

Meeting participants include the CAM and the Recipient and may include the CAO, the Fuels and Transportation Division (FTD) program lead, other CEC staff and Management as well as other individuals selected by the CAM to provide support to the CEC.

### **The CAM shall:**

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the CEC, but they may take place at another location or remotely.
- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.
- Conduct and make a record of each CPR meeting. Prepare a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks, schedule, products, and/or budget for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Lead Commissioner for Transportation for his or her concurrence.
- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

## **Exhibit A SCOPE OF WORK**

### **The Recipient shall:**

- Prepare a *CPR Report* for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the CAM and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

### **CAM Products:**

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

### **Recipient Product:**

- CPR Report(s)

### **Task 1.3 Final Meeting**

The goal of this task is to closeout this Agreement.

### **The Recipient shall:**

- Meet with CEC staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.  
  
This meeting will be attended by, at a minimum, the Recipient and the CAM. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the CAM.  
  
The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The CAM will determine the appropriate meeting participants.  
  
The administrative portion of the meeting shall be a discussion with the CAM about the following Agreement closeout items:
  - What to do with any equipment purchased with CEC funds (Options)
  - CEC request for specific “generated” data (not already provided in Agreement products)
  - Need to document Recipient’s disclosure of “subject inventions” developed under the Agreement, if applicable
  - “Surviving” Agreement provisions
  - Final invoicing and release of retention

## **Exhibit A SCOPE OF WORK**

- Prepare a schedule for completing the closeout activities for this Agreement.

### **Products:**

- Written documentation of meeting agreements
- Schedule for completing closeout activities

### **Task 1.4 Monthly Calls**

The goal of this task is to have calls at least monthly between CAM and Recipient to verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to verbally summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, to verify match funds are being proportionally spent concurrently or in advance of CEC funds or are being spent in accordance with an approved Match Funding Spending Plan, to form the basis for determining whether invoices are consistent with work performed, and to answer any other questions from the CAM. Monthly calls might not be held on those months when a quarterly progress report is submitted, or the CAM determines that a monthly call is unnecessary.

#### **The CAM shall:**

- Schedule monthly calls.
- Provide questions to the Recipient prior to the monthly call.
- Provide call summary notes to Recipient of items discussed during call.

#### **The Recipient shall:**

- Review the questions provided by CAM prior to the monthly call
- Provide verbal answers to the CAM during the call.

#### **Product:**

- Email to CAM concurring with call summary notes.

### **Task 1.5 Quarterly Progress Reports**

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

## Exhibit A SCOPE OF WORK

### The Recipient shall:

- Prepare a *Quarterly Progress Report* which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Progress reports are due to the CAM the 10<sup>th</sup> day of each January, April, July, and October. The Quarterly Progress Report template can be found on the ECAMS Resources webpage available at <https://www.energy.ca.gov/media/4691>.

### Product:

- Quarterly Progress Reports

### Task 1.6 Final Report

The goal of the Final Report is to assess the project's success in achieving the Agreement's goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document and is limited to 25-pages. If the Recipient has obtained confidential status from the CEC and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

In addition to any other applicable requirements, the Final Report must comply with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability; all applicable regulations and guidelines issued pursuant to the ADA; Cal. Gov. Code sects. 7405 and 11135; and Web Content Accessibility Guidelines 2.0, or a subsequent version, as published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria.

### The Recipient shall:

- Prepare an *Outline of the Final Report*, if requested by the CAM.
- Prepare a *Draft Final Report* complying with ADA requirements and following the latest version of the Final Report guidelines which will be provided by the CAM. The CAM shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit *Final Report* in Microsoft Word format or similar electronic format as approved by the CAM.

## **Exhibit A SCOPE OF WORK**

### **Products:**

- Outline of the Final Report, if requested
- Draft Final Report
- Final Report

### **Task 1.7 Identify and Obtain Matching Funds**

The goal of this task is to ensure that the match funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document match fund commitments are not reimbursable through this Agreement. Although the CEC budget for this task will be zero dollars, the Recipient may utilize match funds for this task. Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient will request reimbursement.

### **The Recipient shall:**

- Prepare a letter documenting the match funding committed to this Agreement and submit it to the CAM at least 2 working days prior to the kick-off meeting. If no match funds were part of the proposal that led to the CEC awarding this Agreement and none have been identified at the time this Agreement starts, then state such in the letter. If match funds were a part of the proposal that led to the CEC awarding this Agreement, then provide in the letter a list of the match funds that identifies the:
  - Amount of each cash match fund, its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied.
  - Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
- Provide a copy of the letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match funds provided by a grant a copy of the executed grant shall be submitted in place of a letter of commitment.
- Discuss match funds and the implications to the Agreement if they are reduced or not obtained as committed, at the kick-off meeting. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.

## **Exhibit A SCOPE OF WORK**

- Provide the appropriate information to the CAM if during the course of the Agreement additional match funds are received.
- Notify the CAM within 10 days if during the course of the Agreement existing match funds are reduced. Reduction in match funds must be approved through a formal amendment to the Agreement and may trigger an additional CPR meeting.

### **Products:**

- A letter regarding match funds or stating that no match funds are provided
- Copy(ies) of each match fund commitment letter(s) (if applicable)
- Letter(s) for new match funds (if applicable)
- Letter that match funds were reduced (if applicable)

### **Task 1.8 Identify and Obtain Required Permits**

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. Although the CEC budget for this task will be zero dollars, the Recipient may budget match funds for any expected expenditures associated with obtaining permits. Permits must be identified in writing and obtained before the Recipient can make any expenditure for which a permit is required.

### **The Recipient shall:**

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the CAM at least 2 working days prior to the kick-off meeting. If there are no permits required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the Agreement that permits will be required during the course of the Agreement, provide in the letter:
  - A list of the permits that identifies the:
    - Type of permit
    - Name, address and telephone number of the permitting jurisdictions or lead agencies
  - The schedule the Recipient will follow in applying for and obtaining these permits.
- Discuss the list of permits and the schedule for obtaining them at the kick-off meeting and develop a timetable for submitting the updated list, schedule and the copies of the permits. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the Progress Reports and will be a topic at CPR meetings.

## Exhibit A SCOPE OF WORK

- If during the course of the Agreement additional permits become necessary, provide the appropriate information on each permit and an updated schedule to the CAM.
- As permits are obtained, send a copy of each approved permit to the CAM.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the CAM within 5 working days. Either of these events may trigger an additional CPR.

### Products:

- Letter documenting the permits or stating that no permits are required
- A copy of each approved permit (if applicable)
- Updated list of permits as they change during the term of the Agreement (if applicable)
- Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)
- A copy of each final approved permit (if applicable)

### Task 1.9 Obtain and Execute Subawards

The goal of this task is to ensure quality products and to procure subrecipients required to carry out the tasks under this Agreement consistent with the Agreement Terms and Conditions and the Recipient's own procurement policies and procedures.

### The Recipient shall:

- Manage and coordinate subrecipient activities.
- Submit a *letter* to the CAM describing the subawards needed or stating that no subawards are required.
- If requested by the CAM, submit a *draft of each subaward* required to conduct the work under this Agreement to the CAM for review.
- If requested by the CAM, submit a *final copy of each executed subaward*.
- If Recipient intends to add new subrecipients or change subrecipients, then the Recipient shall notify the CAM.

### Products:

- Letter describing the subawards needed, or stating that no subawards are required
- Draft subaward (if requested)
- Final subaward (if requested)

# Exhibit A

## SCOPE OF WORK

### TECHNICAL TASKS

#### TASK 2 ENGINEERING AND DESIGN

The goal of this task is to complete and receive approval for charging float design.

**The recipient shall:**

- Prepare charging float design drawings. These design drawings shall include, but are not limited to: the floating dock, switchgear specifications, transformers, cable sizing, EVSE, BESS, and utility- and customer-side equipment and cabling.
- Provide a stamped copy of *charging float design drawings* to the CAM.

**Products:**

- Stamped charging float design drawings  
**[CPR WILL BE HELD IN THIS TASK, see Task 1.2 for details]**

#### TASK 3 CHARGING FLOAT CONSTRUCTION

The goal of this task is to integrate a series of facility improvements (i.e., floating dock, EVSE, and BESS installation, together known as “charging float”) to prepare for battery-electric ferry deployment at WETA’s Harbor Bay ferry terminal. The make-ready activities will include utility coordination, initial applications, and site permitting, if necessary. Ferry and EVSE deployment will be coordinated such that when the ferry is received, EVSE will be ready to support the deployment. This task includes the purchase, installation, and ongoing maintenance and operation of the charging float.

**The Recipient shall:**

- Finalize equipment specifications.
- Finalize charging float delivery schedule.
- Finalize equipment list and submit *Final Equipment List* to the CAM. Receive CAM written approval prior to proceeding with procurement of equipment.
- Purchase charging float.
- Receive charging float.
- Submit *Electric Vehicle Infrastructure Training Program (EVITP) Certification Numbers* of each EVITP-certified electrician that installed electric vehicle charging infrastructure or equipment. EVITP Certification Numbers are not required to be submitted if AB 841 requirements do not apply to the project.
- Coordinate with local utilities to secure electricity to the charging float.
- Install charging float.
- Perform ongoing maintenance as needed.
- Inspect and test charging float with a charging event.

## Exhibit A SCOPE OF WORK

- Submit an *AB 841 Certification* that certifies the project has complied with all AB 841 (Ting, Chapter 372, Statutes of 2020) requirements specified in Exhibit C or describes why the AB 841 requirements do not apply to the project. The certification shall be signed by Recipient's authorized representative. Although AB 841 becomes effective January 1, 2022, as a policy matter the CEC is applying the EVITP certification requirements to project work funded under this Agreement, regardless of whether it might be performed prior to January 1, 2022, unless an exception applies.
- Commission charging float.
- Complete a *Commissioning Report* and submit to the CAM.
- Provide high-quality *photos* of the installed charging float to the CAM.

### Products:

- Final Equipment List
- EVITP Certification Numbers of each EVITP-certified electrician
- AB 841 Certification
- Commissioning Report
- High-quality photos of completed and installed charging float

**[CPR WILL BE HELD IN THIS TASK, see Task 1.2 for details]**

### TASK 4 OPERATIONS AND RELIABILITY

Recipient shall comply with the reliability performance standards, recordkeeping, reporting, and maintenance requirements (Requirements) for EV chargers installed as part of this Agreement. In the event the CEC adopts regulations that include Requirements, for example as required by AB 2061 (Ting, Chapter 345, Statutes of 2022) and/or AB 126 (Reyes, Chapter 319, Statutes of 2023), those Requirements shall supersede the Requirements contained in this Scope of Work for this Agreement wherever, as determined by the CAM, they conflict or are redundant.

#### Task 4.1 Operations

##### The Recipient Shall:

- Operate the installed charging ports during the term of this agreement.
- Ensure that the charging port uptime for each charging port installed in the project is at least 97 percent of each year for six years after the beginning of operation.

Without limitation to other rights and remedies which the CEC may have, including but not limited to survival provisions specified in the Terms and Conditions of this agreement, this requirement to ensure operability for six years after the beginning of operation shall survive the completion or termination date of this agreement. In addition to other requirements in the Terms and Conditions of this agreement, all CEC-reimbursable expenditures must be incurred within the agreement term.

# Exhibit A

## SCOPE OF WORK

### Task 4.2 Recordkeeping

The goal of this task is to collect, maintain, and transmit records of charging port operation and reliability to the CEC.

**For networked chargers**, the Recipient shall collect and retain the maintenance records specified in this section. The Recipient shall retain the services of a charging network provider that meets the criteria in 1. through 4. to record, retain, and transmit the remote monitoring data for networked chargers specified in this section.

1. The charging network provider must have an API of the CEC's choosing to permit the charging network provider to transfer the data required in this section directly to the CEC or the CEC's designee within 60 minutes of the record's generation.
2. The charging network provider must have Subset Certification of the Charging Station Management System in the Open Charge Alliance OCPP Certification Program for OCPP version 2.0.1, published May 24, 2023, or a subsequent version of OCPP for Core, Advanced Security, and ISO 15118 Support functionalities.
3. **For networked chargers**, the charging network provider's central system must have connection to the chargers using OCPP version 2.0.1 or a subsequent version of OCPP. This does not preclude the additional use of other communication protocols.
4. **For networked chargers**, the charging network provider and chargers must transmit the following protocol data units between the Central Management System and the charger(s) as specified in OCPP version 2.0.1 or a subsequent version of OCPP:
  - a. HeartbeatRequest shall be transmitted to the Central Management System by the charger on a set interval.
  - b. HeartbeatResponse shall be transmitted to the charger by the Central Management System in response to any received HeartbeatRequest.
  - c. StatusNotificationRequest shall be transmitted by the charger to the Central Management System any time the charger or an associated charging port's operative status changes.
  - d. BootNotificationRequest shall be transmitted by the charger to the Central Management System any time the charger is powered on.
  - e. BootNotificationResponse shall be transmitted by the Central Management System to the charger in response to any received BootNotificationRequest.

### The Recipient Shall:

- **For networked chargers**, ensure the charging network provider collects and retains the Remote Monitoring data below from each charging port installed and operated as part of this Agreement.
- **For networked chargers**, ensure the charging network provider automatically transmits the Remote Monitoring data below to the CEC, via API, within 60 minutes of the Remote Monitoring data's generation.
- **For networked chargers**, ensure the charging network provider retains the Remote Monitoring data below for 2 years from the date of each record's generation. Provide *Remote Monitoring records* to the CEC within 10 business days of request.

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1. Provide digital records in a comma separated values (CSV) file unless another file format is approved by the CEC for the request.
  2. Provide a clear and understandable *data dictionary* that describes each data element and any associated units with all digital records.
- **For all chargers**, collect and retain the maintenance records specified below for each charging port installed and operated as part of this agreement for 6 years from the date the charging port begins operation. Provide *maintenance records* to the CEC within 10 business days of request.

### **Remote Monitoring Data for Networked Chargers**

1. All instances of the following Protocol Data Units (PDUs), specified in OCPP 2.0.1, that are transmitted between the charger and the central system.
  - a. HeartbeatResponse
  - b. StatusNotificationRequest
  - c. BootNotificationRequest
2. The total number of charge attempts for the reporting period.
3. The total number of successful charging sessions for the reporting period.
4. The total number of failed charging sessions for the reporting period.
5. The percentage of successful charging sessions for the reporting period relative to the total number of charge attempts for the reporting period.

### **Maintenance Records**

1. **For all chargers**, reports of inoperative charging ports or charging port failures resulting in inability to charge, such as a customer complaint, internal diagnostics, or inspection.
2. **For all chargers**, records of any maintenance conducted on charging ports installed and operated as part of the agreement. Records should specify the following:
  - a. Date and time of the maintenance event
  - b. Whether maintenance was corrective or preventive in nature
  - c. Whether and for how long the charging port was in an inoperative state prior to maintenance.
  - d. Whether the charging port was in an operative state following maintenance

### **Products:**

- Remote Monitoring Records
- Maintenance Records
- Data Dictionary

### **Task 4.3 Maintenance Requirements**

The goal of this task is to increase reliability through timely and effective preventive and corrective maintenance. The Recipient shall conduct maintenance on each charger installed and operated as part of the Agreement as specified in this section.

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### The Recipient Shall:

- Conduct preventive maintenance, as specified by the charger manufacturer, on the charger hardware by a certified technician annually. The time interval between consecutive preventive maintenance visits to any charger shall be no more than 13 months.
- Complete corrective maintenance within 5 business days of the beginning of a time when the charger or charging port is inoperative or exhibiting failures that result in an inability to charge.
- *Report on preventive and corrective maintenance in each Quarterly Report on Charger and Charging Port Reliability and Maintenance* described in Task 4.4.

### Products:

- Maintenance section of Quarterly Report on Charger and Charging Port Reliability and Maintenance described in Task 4.4

### Task 4.4 Reporting

The goal of this task is to provide reports on charger reliability and maintenance.

### The Recipient shall:

- Prepare and submit to the CEC *Quarterly Reports on Charger and Charging Port Reliability and Maintenance*. Each report shall include: A summary of charging port downtime, including total downtime and the number and frequency of downtime events, the minimum, median, mean, and maximum duration, and the causes of downtime events. Downtime shall be determined on a per charging port basis by summing the durations of all downtime events during the reporting period. The duration of a downtime event shall be the longest of the following periods:
  1. **For networked charging ports**, the time after the charger has transmitted a StatusNotificationRequest indicating that the charging port associated with that charger is in a “faulted” or “unavailable” state until a subsequent StatusNotificationRequest is transmitted by that charger indicating that the charging port has transitioned to an “available,” “occupied,” or “reserved” state. The timestamps in each StatusNotificationRequest shall be used to quantify downtime.
  2. **For networked chargers**, the time between a BootNotificationResponse transmitted by the Central Management System and the last HeartbeatResponse transmitted by the Central Management System prior to the BootNotificationResponse. The timestamps in the relevant BootNotificationResponse and HeartbeatResponse shall be used to quantify downtime.
  3. **For all charging ports**, the time between the earliest record that a charging port is not capable of successfully dispensing electricity or otherwise not functioning as designed and the time it is available to deliver a charge. First record that a charger is not capable of successfully dispensing electricity or otherwise not

## Exhibit A SCOPE OF WORK

functioning as designed includes, but is not limited to, consumer notification, internal diagnostics, or inspection, whichever is earliest.

- Prepare a summary of Excluded Downtime, including total excluded downtime and the number and frequency of excluded downtime events, the minimum, median, mean, and maximum duration, and the causes of excluded downtime events and include in each Quarterly Report on Charger and Charging Port Reliability and Maintenance. 'Excluded Downtime' includes:
  1. **Before Initial Installation:** Downtime before the charging port was initially installed.
  2. **Grid Power Loss:** Downtime during which power supplied by a third-party provider is not supplied at levels required for minimum function of the charging port. This may include, but is not limited to, service outages due to utility equipment malfunction or public safety power shutoffs. This does not include power generation or storage equipment installed to serve the charger(s) exclusively. Documentation from power provider detailing outage is required to claim this as excluded downtime.
  3. **Vehicle Fault:** Any failure to charge or failure to meet the EV charging customer's expectation for power delivery due to the fault of the vehicle.
  4. **Outage for Preventative Maintenance or Upgrade:** Downtime caused by any preventative maintenance or upgrade work that takes the charging port offline. This must be scheduled at least two weeks in advance of the charger being placed in an inoperative state. The maximum downtime that can be excluded for preventative maintenance or upgrade work is 24 hours for any 12-month period.
  5. **Vandalism or Theft:** Downtime caused by any physical damage to the charger or station committed by a third party. This may include, but is not limited to, theft of charging cables, damage to connectors from mishandling, or damage to screens. A maximum of 5 days may be claimed as excluded downtime for each Vandalism or Theft event. A police report or similar third-party documentation is required to claim this as excluded time.
  6. **Natural Disasters:** Downtime caused by any disruption of the charging port due to a natural event such as a flood, earthquake, or wildfire that causes great damage. Third party documentation such as news reporting must be provided along with a narrative of the direct impacts to the chargers(s) to claim this as excluded downtime.
  7. **Communication Network Outages:** Downtime caused by loss of communication due to cellular or internet service provider system outages. A Communication Network Outage can be claimed as excluded downtime provided the chargers default to a free charge state during communication losses. A free charge state is when the charger is operational and dispenses energy free of charge to any consumer.
  8. **Operating Hours:** Hours in which the charging port is in an operative state but that are outside of the identified hours of operation of the charging station.

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- **For all charging ports**, prepare a summary and calculation of uptime and include in each Quarterly Report on Charger and Charging Port Reliability and Maintenance. Each report shall include the uptime percentage of each charging port (Uptime) installed and operated as part of this Agreement for the reporting period. Charging port uptime shall be calculated as:

$$U = \frac{T - D + E}{T} * 100\%$$

U = Charging Port Uptime

T =

1. Q1 reporting period = 129,600 minutes, except for a leap year, which is 131,040 minutes.
2. Q2 reporting period = 131,040 minutes.
3. Q3 and Q4 reporting periods = 132,480 minutes.

D = Total charging port downtime for the reporting period, in minutes.

E = Total charging port excluded downtime in the reporting period, in minutes.

- **For networked charging ports**, prepare a summary of charge data and include in each Quarterly Report on Charger and Charging Port Reliability and Maintenance. The data will include:
  - a. Total number of charge attempts in the reporting period
  - b. Total number of successful charge attempts in the reporting period
  - c. Total number of failed charges in the reporting period
  - d. The percentage of successful charging sessions for the reporting period relative to the total number of charge attempts for the reporting period
  - e. A description of steps taken to reduce the number of failed charge attempts, and the success rate of those steps
- **For all chargers**, prepare a summary of the total number of maintenance dispatch events that occurred since the last report, the number of days to complete each maintenance event reported, and a narrative description of significant maintenance issues. Include details of all excluded downtime and a narrative description of events that caused the excluded downtime. Include the summary in each Quarterly Report on Charger and Charging Port Reliability and Maintenance.

### Products:

- Quarterly Report on Charger and Charging Port Reliability and Maintenance, submitted in a manner specified by the CEC

### TASK 5 SEMI-ANNUAL ELECTRIC VEHICLE CHARGER INVENTORY REPORTS

The goal of this task is to provide information on the number of chargers in the Recipient's charging network in California, including both public and shared private, serving all vehicle sectors (light-, medium-, and heavy duty) excluding any charger used solely for private use at a single-family residence or a multifamily housing unit with four or fewer units.

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### The Recipient shall:

- Prepare an *Electric Vehicle Charger Inventory Report*, in a template provided by the CAM, that includes:
  - For chargers serving light-duty electric vehicles:
    - Number of public AC charging ports aggregated at the county level by charging network provider
    - Number of shared private AC charging ports aggregated at the county level by charging network provider
    - Number of public DC fast charging ports aggregated at the county level by charging network provider
    - Number of shared private DC fast charging ports aggregated at the county level by charging network provider
  - For chargers serving medium- and/or heavy-duty vehicles:
    - Number of public AC charging ports aggregated at the county level by charging network provider
    - Number of shared private AC charging ports aggregated at the county level by charging network provider
    - Number of public DC fast charging ports aggregated at the county level by charging network provider
    - Number of shared private DC fast charging ports aggregated at the county level by charging network provider
    - Number of other publicly available charging ports at the county level by charging network provider
    - Number of other depot charging ports by power output (less than 50 kilowatts (kW), between 50 – 150 kW, 150 kW – 350 kW, 350 kW and above) at the county level by charging network provider (if applicable)
- Submit the *Electric Vehicle Charger Inventory Report* to the CAM, no later than 30 calendar days after the Agreement is executed and then each calendar half-year thereafter. Reports are due at the end of July and end of January.

### Recipient Product:

- Electric Vehicle Charger Inventory Report

### TASK 6 DATA COLLECTION AND ANALYSIS

The goal of this task is to collect operational data from the project and to analyze that data for economic and environmental impacts.

### The Recipient shall:

- For all electric vehicle chargers and charging stations installed on or after January 1, 2024:

## Exhibit A SCOPE OF WORK

- Comply with recordkeeping and reporting standards as described in CEC's regulations. These requirements are not applicable to those electric vehicle chargers and charging stations installed at residential real property containing four or fewer dwelling units.
- Comply with all industry best practices and charger technology capabilities that are demonstrated to increase reliability, as described in CEC's regulations.
- Without limitation to other requirements in this Agreement, Recipient shall comply with any other regulatory requirements, including but not limited to uptime requirements and operation and maintenance requirements. Such regulatory requirements may, but will not necessarily, be enacted after execution of this Agreement. Once regulations are final, they will apply to work under this Agreement irrespective of when finalized. Any updates to regulations may also be applicable to work under this Agreement.
- If the Recipient is an electric vehicle service provider or other third-party entity that is not the site host, the electric vehicle service provider or third-party entity shall provide a disclosure to the site host about the site host's right to designate the service provider or third-party as the entity to report the data on behalf of the site host. The Recipient shall verify receipt by signing the disclosure.
- Collect and report to the CEC:
  - For an electric vehicle charging station, the availability of operational charging plugs, whether the station was energized, the volume of electricity in kilowatt-hours used to charge by vehicles, the number of vehicles charged by a station, and any other data deemed necessary by the CEC to monitor reliability and accessibility of the charging infrastructure. This data shall be measured no less frequently than on a daily basis and reported electronically to the CEC no less frequently than quarterly in *AB 126 Data Reports* submitted with the quarterly reports described in Task 1.5.
  - For an electric vehicle charging station, the source and greenhouse gas emissions intensity, on an annual basis, of the electricity used and dispensed by the EV charging station(s) at the meter, consistent with the disclosure methodology set forth in Article 14 (commencing with Section 398.1) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code. Data must be reported to the CEC annually in an *AB 126 Data Report* specified by the CAM.
- Collect and provide the following data:
  - Number, type, date, and location of chargers installed.
  - Nameplate capacity of the installed equipment, in kW for chargers.
  - Number and type of outlets per charger.

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- Location type, such as street, parking lot, hotel, restaurant, or multi-unit housing.
- Total cost per charger, the subsidy from the CEC per charger, federal subsidy per charger, utility subsidy per charger, and privately funded share per charger.
- Collect and provide 12 months of throughput, usage, and operations data from the project including, but not limited to:
  - Number of charging sessions
  - Average charger downtime
  - Peak power delivered (kW)
  - Duration of active charging, hourly
  - Duration of charging session, hourly (e.g., vehicle parked but not actively charging)
  - Average session duration
  - Energy delivered (kWh)
  - Average kWh dispensed
  - Types of vehicles using the charging equipment
  - Applicable price for charging, including but not limited to: electric utility tariff, EVSP service contract, or public charger price.
  - Payment method for public charging
  - Energy delivered back to grid or facility if a bidirectional charging use case (kWh)
  - Maximum capacity of the new fueling system
  - Normal operating hours, up time, downtime, and explanations of variations
  - Gallons of gasoline and/or diesel fuel displaced (with associated mileage information)
  - Expected air emissions reduction, for example:
    - Greenhouse gases
    - Non-methane hydrocarbons
    - Oxides of nitrogen
    - Particulate Matter
    - Formaldehyde
  - Duty cycle of the current fleet and the expected duty cycle of future vehicle acquisitions

## **Exhibit A SCOPE OF WORK**

- Identify any current and planned use of renewable energy at the facility.
- Identify the source of the alternative fuel.
- Describe any energy efficiency measures used in the facility that may exceed Title 24 standards in Part 6 of the California Code Regulations.
- Provide data on potential job creation, economic development, and increased state revenue as a result of expected future expansion.
- Provide a quantified estimate of the project's carbon intensity values for life-cycle greenhouse gas emissions.
- Compare any project performance and expectations provided in the proposal to CEC with actual project performance and accomplishments.
- Provide a *Data Collection and Information Analysis Report* that lists and analyzes all the data and information described above.

### **Products:**

- AB 126 Data Reports
- Data Collection and Information Analysis Report

### **TASK 7 PROJECT FACT SHEET**

The goal of this task is to develop an initial and final project fact sheet that describes the CEC-funded project and the benefits resulting from the project for the public and key decision makers.

### **The Recipient shall:**

- Prepare an *Initial Project Fact Sheet* at start of the project that describes the project and the expected benefits. Use the format provided by the CAM.
- Prepare a *Final Project Fact Sheet* at the project's conclusion that describes the project, the actual benefits resulting from the project, and lessons learned from implementing the project. Use the format provided by the CAM.
- Provide at least (6) six *High Quality Digital Photographs* (minimum resolution of 1300x500 pixels in landscape ratio) of pre and post technology installation at the project sites or related project photographs.

### **Products:**

- Initial Project Fact Sheet
- Final Project Fact Sheet
- High Quality Digital Photographs

# Exhibit A-1

<b>Schedule of Products and Due Dates</b>			
<i>Agreement Term: 8/14/2024 - 3/31/2028</i>			
<b>Task Number</b>	<b>Task Name</b>	<b>Product(s)</b>	<b>Due Date</b>
<b>1.1</b>	<b>Attend Kick-off Meeting</b>	Updated Schedule of Products	9/30/2024
		Updated List of Match Funds	9/30/2024
		Updated List of Permits	9/30/2024
		Written Statement of Match Share Activities	9/30/2024
		Kick-Off Meeting Agenda (CEC)	9/30/2024
<b>1.2</b>	<b>Critical Project Review Meetings</b>	CPR Report	6/2/2025
		CPR Meeting Agenda (CEC)	6/2/2025
		Schedule for written determination (CEC)	6/9/2025
		Written determination (CEC)	6/13/2025
		CPR Report	4/15/2026
		CPR Meeting Agenda (CEC)	4/15/2026
		Schedule for written determination (CEC)	4/22/2026
		Written determination (CEC)	4/29/2026
<b>1.3</b>	<b>Final Meeting</b>	Written documentation of meeting agreements	3/1/2028
		Schedule for completing closeout activities	3/1/2028
<b>1.4</b>	<b>Monthly Calls</b>	Email to CAM concurring with call summary notes	Within 5 days of receipt
<b>1.5</b>	<b>Quarterly Progress Reports</b>	Quarterly Progress Reports	10th calendar day of each January, April, July, and October during the approved term of this Agreement
<b>1.6</b>	<b>Final Report</b>	Outline of the Final Report	10/31/2027
		Draft Final Report	11/30/2027
		Final Report (no less than 60 days before the end term of the agreement)	1/31/2028
<b>1.7</b>	<b>Identify and Obtain Match Funds</b>	A letter regarding match funds or stating that no match funds are provided	9/30/2024
		Copy(ies) of each match fund commitment letter(s) (if applicable)	11/15/2024
		Letter(s) for new match funds (if applicable)	Within 10 days of identifying new match funds
		Letter that match funds were reduced (if applicable)	Within 10 days of identifying reduced funds
<b>1.8</b>	<b>Identify and Obtain Required Permits</b>	Letter documenting the permits or stating that no permits are required	9/30/2024
		A copy of each approved permit (if applicable)	Within 10 days of receiving each permit
		Updated list of permits as they change during the term of the Agreement (if applicable)	Within 10 days of change in list of permits
		Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)	Within 10 days of change in schedule for obtaining permits
		A copy of each final approved permit (if applicable)	Within 10 days of receiving each permit
<b>1.9</b>	<b>Obtain and Execute Subawards</b>	Letter describing the subawards needed, or stating that no subawards are required	9/30/2024
		Draft subawards (if requested)	15 days prior to the scheduled execution date
		Final subawards (if requested)	Within 10 days of execution
<b>2</b>	<b>ENGINEERING AND DESIGN</b>	Stamped charging float design drawings	3/14/2025

ARV-23-017

San Francisco Bay Area

## Exhibit A-1

<b>Schedule of Products and Due Dates</b>				
<i>Agreement Term: 8/14/2024 - 3/31/2028</i>				
<b>Task Number</b>	<b>Task Name</b>	<b>Product(s)</b>	<b>Due Date</b>	
<b>3</b>	<b>CHARGING FLOAT CONSTRUCTION</b>	Final Equipment List	5/15/2025	
		EVITP certification numbers of each EVITP-certified electrician	3/31/2026	
		AB 841 Certification	3/31/2026	
		Commissioning Report	5/1/2026	
		High-quality photos of completed construction and of installed charge float.	5/1/2026	
<b>4</b>	<b>OPERATIONS AND RELIABILITY</b>			
		<b>4.2 Record Keeping</b>	Remote Monitoring Records	Within 10 business days of CEC request
			Maintenance Records	Within 10 business days of CEC request
			Data Dictionary	Within 10 business days of CEC request
<b>4.3</b>	<b>Maintenance Requirements</b>	Maintenance section of Quarterly Report on Charger and Charging Port Reliability and Maintenance described in Task 4.4	Included in each Quarterly Report in Task 4.4	
<b>4.4</b>	<b>Reporting</b>	Quarterly Report on Charger and Charging Port Reliability and Maintenance	10th day of each January, April, July, and October	
<b>5</b>	<b>SEMI-ANNUAL ELECTRIC VEHICLE CHARGER INVENTORY REPORTS</b>			
		Electric Vehicle Charger Inventory Report	Within 30 calendar days of execution and then the end of each July and end of each January thereafter during the term of the agreement.	
<b>6</b>	<b>DATA COLLECTION AND ANALYSIS</b>	AB 126 Data Reports (submitted with Quarterly Progress Reports described in Task 1.5)	10th day of each January, April, July, and October	
		Data Collection and Information Analysis Report	7/30/2027	
<b>7</b>	<b>PROJECT FACT SHEET</b>			
		Initial Project Fact Sheet	9/30/2024	
		Final Project Fact Sheet	3/1/2028	
		High Quality Digital Photographs	3/1/2028	

## Workbook Instructions

**Input Data:** Enter information as required in all cells highlighted in Blue.

**Restricted Editing:** All cells not highlighted in Blue are locked from editing. Locked cells include: cells with formulas highlighted in Gray or Light Yellow, cells with no color fill (white), etc.

**For the Agreement Budget Template ONLY:** Colored Tabs:

The "**Equipment**" and "**Subrecipients & Vendors**" budget category tabs are colored **ORANGE** to indicate that line item details can be entered for these budget categories. The other budget category tabs (Direct Labor, Fringe Benefits, Travel, Materials & Misc., and Indirect Costs & Profit) only contain category totals.

**Regarding Confidential Information:** Avoid disclosing trade secrets and confidential information on any agreement document, since these documents are publicly accessible.

**Rules for decimal places on values:**

- **Budget and Invoice values:**
  - Rounding of any values, as described below, should be performed using standard rounding practices.
  - For all currency rates (e.g., Direct Labor, and Unit Cost): Round to the cent (\$0.01).
  - For all percentage rates (e.g., Fringe Benefits, Indirect Cost, and Profit): Round to a maximum of two decimal places of a percent (e.g., 25.12%). You can round to less if desired, such as one decimal place (e.g., 25.1%), or zero decimal places (e.g., 25%).
  - For all quantity values (e.g., # of hours, # of months, and # of units): Round to a maximum of two decimal places (e.g., 50.12). You can round to less if desired, such as one decimal place (e.g., 50.1), or zero decimal places (e.g., 50).
- **Budget values:**
  - For entered and totaled (via calculation) CEC and Match share budget values: Round to the dollar (\$1).
  - For all calculated currency values (e.g., rate x hours, rate x months, base amount, and rate x base amount): Round to the dollar (\$1).
- **Invoice values:**
  - For entered and totaled (via calculation) CEC and Match share expense invoice values: Round to the cent (\$0.01).
  - For all calculated currency values (e.g., rate x hours, rate x months, base amount, and rate x base amount): Round to the cent (\$0.01).
  - **SPECIAL CIRCUMSTANCE for calculated currency values:** **ONLY** if a calculated value (e.g., rate x hours = actual labor expense) does **NOT** equal the actual expense, because of the decimal place rules provided for rates and quantity values listed above, it is acceptable to use as many decimal places as necessary for rates and quantity values listed above to ensure that the calculated value **DOES** equal the actual expense.

**Invoice Supporting Documentation Requirements, per Budget Category:**

The list below contains the supporting documentation that is required to be submitted with an invoice. **IMPORTANT:** The recipient and subrecipients must still retain supporting documentation for all project expenses in case of an audit ("supporting documents" are also known as "backup documents").

- **Direct Labor** – No supporting documentation required with invoice.
- **Fringe Benefits** – No supporting documentation required with invoice.
- **Travel** - Receipts are required only for: Lodging, Airfare, Rental car (including gasoline expenses), Bus/train. Travel Form required for all travel included on an invoice
- **Equipment** – 1) For equipment that is equal to or greater than \$100,000 per line item total (including both CEC and Match Funds), documentation showing the payment terms must be provided to the CAM. 2) CAM must be able to verify equipment purchases for: 1) equipment with a per line item incurred cost of \$500,000 or greater; or 2) a single equipment vendor with \$500,000 or more in equipment incurred costs. See Invoice Review Checklist for methods to verify.
- **Materials & Miscellaneous** – Receipt required for any line item total that is \$5,000 or more.

- **Subrecipients & Vendors** – Major subrecipients (Budget of \$100k or more) follow the same budget requirements as the Recipient when submitting an invoice. For Minor subrecipients and Vendors, subrecipient or vendor invoice required. The subrecipient (major) should not include retention on their invoice template, so that retention will not be double counted. Doing this puts the responsibility on the recipient to determine how much retention to retain, if any, from their subrecipients based on their contractual agreements with their subrecipients and the CEC.
- **Indirect Costs & Profit** – No supporting documentation required with invoice.

**Adding Rows:** If additional rows are needed within a section, unhide the hidden rows (i.e., select the row directly above and below the hidden rows, then right-click the selection and select “Unhide”). Hide any unused rows. **DO NOT USE THE LAST TWO ROWS THAT ARE MARKED “CEC USE ONLY”.** If all but the last 2 rows are used, and more rows are required, please contact the ECAMS Support team (ECAMS.Support@energy.ca.gov).

**FOR ECAMS SUPPORT TEAM ONLY: ADDING ROWS:**

To add additional rows and maintain the formulas within the totals, (1) unprotect the sheet, (2) copy the second to the last row in the section, (3) insert the copied row just above the last row, (4) repeat steps 2 - 3 as required, (5) correct formatting and REFERENCE IDs as required, (6) delete “CEC USE ONLY” from all but the last two rows in the section, and (7) re-protect the sheet.

**Updating Modification Date on Budgets:**

After making modifications to a budget file, update the modification date as described below.

- **Budget Worksheet file** – Update the "*Date of Last Budget Worksheet Modification*" to the date the modifications were completed. Update the "Date of Last Budget Worksheet Modification" in cell D1 of the "Category Budget" tab–this updates the rest of the tabs in the template.
- **Agreement Budget file** – Update the "*Date of Last Approved Agreement Budget Modification*" to the date the modifications were approved. Update the "Date of Last Approved Agreement Budget Modification" in cell D1 of the "Category Budget" tab–this updates the rest of the tabs in the template.

**FOR ECAMS SUPPORT TEAM ONLY: UPDATING "TEMPLATE VERSION" DATE:**

After making modifications to a budget or invoice template, update the "*Template Version*" date to the date the modifications were completed. For the budget templates, update the "*Template Version*" date in cell A1 of the "Category Budget" tab–this updates the rest of the tabs in the template. For the invoice templates, update the "*Template Version*" date in cell A1 of the "Invoice Payment Cover Sheet" tab–this updates the rest of the tabs in the template.

**ECAMS Support:** For support on how to complete this template, please visit the ECAMS Resources web page. The link to this web page is provided in the cell below:

<https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources>

## AGREEMENT BUDGET

### Category Budget

<b>Agreement Number</b>	ARV-23-017		
<b>Name of Organization</b>	San Francisco Bay Area Water Emergency Transportation Authority		
Recipient			
None			
<b>Cost Category</b>	<b>CEC Share</b>	<b>Match Share</b>	<b>Total</b>
Direct Labor	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -
<b>Total Labor</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Travel	\$ 6,510	\$ 8,490	\$ 15,000
Equipment	\$ 4,679,717	\$ 6,103,816	\$ 10,783,533
Materials/Miscellaneous	\$ -	\$ -	\$ -
Subrecipients/Vendors	\$ 313,767	\$ 409,250	\$ 723,017
<b>Total Other Direct Costs</b>	<b>\$ 4,999,994</b>	<b>\$ 6,521,556</b>	<b>\$ 11,521,550</b>
Indirect Costs	\$ -	\$ -	\$ -
Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -
<b>Total Indirect and Profit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Totals</b>	<b>\$ 4,999,994</b>	<b>\$ 6,521,556</b>	<b>\$ 11,521,550</b>
<b>Total CEC Reimbursable Funds Spent in California or Paid to California-Based Entities (if applicable)</b>	<b>\$ -</b>		
<b>Percentage of CEC Reimbursable Funds Spent in California or Paid to California-Based Entities</b>			

# **AGREEMENT BUDGET**

## **Direct Labor (Unloaded)**

### **ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority**

	<b>CEC Share</b>	<b>Match Share</b>	<b>Total</b>
<b>Grand Totals</b>	\$ -	\$ -	\$ -

# **AGREEMENT BUDGET**

## **Fringe Benefits**

### **ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority**

	<b>CEC Share</b>	<b>Match Share</b>	<b>Total</b>
<b>Grand Totals</b>	\$ -	\$ -	\$ -

# **AGREEMENT BUDGET**

## **Travel**

### **ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority**

	<b>CEC Share</b>	<b>Match Share</b>	<b>Total</b>
<b>Grand Totals</b>	<b>\$ 6,510</b>	<b>\$ 8,490</b>	<b>\$ 15,000</b>

**AGREEMENT BUDGET**

Equipment

ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority

Reference ID	Task #	Seller of item(s)	Description	Purpose	# of Units	Unit Cost	Total: # of Units x Unit Cost	CEC Share	Match Share	Total	Line Item Revised Since Last Approved Budget?	Revision Notes
E-1	3	To Be Determined	Charging Float	To charge battery- electric ferry boats	1.00	\$ 10,783,533.00	\$ 10,783,533	\$ 4,679,717	\$ 6,103,816	\$ 10,783,533	Select Yes or No	
E-2					0.00	\$ -	\$ -	\$ -	\$ -	\$ -	Select Yes or No	
<b>Grand Totals</b>							<b>\$ 4,679,717</b>	<b>\$ 6,103,816</b>	<b>\$ 10,783,533</b>			

**Worksheet Specific Instructions**

**CONDITIONAL FORMATTING APPLIED:** If the "Line Item Revised Since Last Approved Budget?" column is changed to Yes, the text in the entire row will turn red in order to highlight the change.

# **AGREEMENT BUDGET**

## **Materials & Miscellaneous**

### **ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority**

	<b>CEC Share</b>	<b>Match Share</b>	<b>Total</b>
<b>Grand Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**AGREEMENT BUDGET**

**Subrecipients & Vendors**

**ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority**

Subrecipients										
Reference ID	Task #	Subrecipient (Please Use Legal Name)	Entity Number (CA Secretary of State)	Purpose	CA Business Certifications DVBE/SB/MB/None	CEC Share	Match Share	Total	Line Item Revised Since Last Approved Budget?	Revision Notes
S-1					None	\$ -	\$ -	\$ -	Select Yes or No	
S-2					None	\$ -	\$ -	\$ -	Select Yes or No	
Subrecipient Totals						\$ -	\$ -	\$ -		

Vendors										
Reference ID	Task #	Vendor (Please Use Legal Name)	Entity Number (CA Secretary of State)	Purpose	CA Business Certifications DVBE/SB/MB/None	CEC Share	Match Share	Total	Line Item Revised Since Last Approved Budget?	Revision Notes
V-1	2,3	Aurora Marine Design	2281093	Engineering, Design, and Construction Management	None	\$ 246,531	\$ 321,554	\$ 568,085	Select Yes or No	
V-2	2	Liftech Consultants, Inc.	834450	Engineering and Design	None	\$ 67,236	\$ 87,696	\$ 154,932	Select Yes or No	
V-3					None	\$ -	\$ -	\$ -	Select Yes or No	
Vendor Totals						\$ 313,767	\$ 409,250	\$ 723,017		

Subrecipients & Vendors Grand Totals			
	CEC Share	Match Share	Total
Grand Totals	\$ 313,767	\$ 409,250	\$ 723,017

**Worksheet Specific Instructions**

**CONDITIONAL FORMATTING APPLIED: If the "Line Item Revised Since Last Approved Budget?" column is changed to Yes, the text in the entire row will turn red in order to highlight the change.**

# AGREEMENT BUDGET

## Indirect Costs and Profit

### ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority

Select an Indirect Cost Rate Option

Indirect Cost(s)			
	CEC Share	Match Share	Total
Indirect Costs Grand Totals	\$ -	\$ -	\$ -

Profit			
	CEC Share	Match Share	Total
Profit Grand Totals	\$ -	\$ -	\$ -

**AGREEMENT BUDGET**

**Budget Updates after Agreement Execution**

**ARV-23-017: San Francisco Bay Area Water Emergency Transportation Authority**

Change #	Date Approved	Budget Categories	CEC Share Funds			Match Share Funds			Brief Description of and Justification for Change	Total Amount of CEC Funds Moving Between Categories	Cumulative CEC Total (will reset after DD review)	Has this budget been approved by the Division Director (DD)?**
			FROM (Approved Budget Totals)	TO (Revised Budget Totals)	Amount of CEC Funds Moving Between Categories	FROM (Approved Budget Totals)	TO (Revised Budget Totals)	Amount of Match Funds Moving Between Categories				
1		Direct Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	\$0	Select Yes or No	
	Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Materials/Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Subrecipients/Vendors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Indirect Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Reallocation Decrease Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Reallocation Increase Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Total Budget Reallocation Between Budget Categories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	2		Direct Labor	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
Fringe Benefits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Travel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Equipment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Materials/Misc.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Subrecipients/Vendors		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Indirect Cost		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Profit (not allowed for grant recipients)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Reallocation Decrease Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Reallocation Increase Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total Budget Reallocation Between Budget Categories		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
3			Direct Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	\$0	Select Yes or No
	Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Materials/Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Subrecipients/Vendors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Indirect Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Reallocation Decrease Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Reallocation Increase Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	Total Budget Reallocation Between Budget Categories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				

*All values should be rounded to the dollar (\$1)*



Change #	Date Approved	Budget Categories	All values should be rounded to the dollar (\$1)						Brief Description of and Justification for Change	Total Amount of CEC Funds Moving Between Categories	Cumulative CEC Total (will reset after DD review)	Has this budget been approved by the Division Director (DD)?**
			CEC Share Funds			Match Share Funds						
			FROM (Approved Budget Totals)	TO (Revised Budget Totals)	Amount of CEC Funds Moving Between Categories	FROM (Approved Budget Totals)	TO (Revised Budget Totals)	Amount of Match Funds Moving Between Categories				
8		Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -	\$ -	\$ -				NO	
		<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -					
		Reallocation Decrease Subtotal										
		Reallocation Increase Subtotal										
		<b>Total Budget Reallocation Between Budget Categories</b>										
		Direct Labor	\$ -	\$ -	\$ -	\$ -	\$ -					
		Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -					
		Travel	\$ -	\$ -	\$ -	\$ -	\$ -					
		Equipment	\$ -	\$ -	\$ -	\$ -	\$ -					
		Materials/Misc.	\$ -	\$ -	\$ -	\$ -	\$ -					
	Subrecipients/Vendors	\$ -	\$ -	\$ -	\$ -	\$ -						
	Indirect Cost	\$ -	\$ -	\$ -	\$ -	\$ -						
	Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -	\$ -	\$ -			\$0	\$0	Select Yes or No	
	<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
	Reallocation Decrease Subtotal											
	Reallocation Increase Subtotal											
	<b>Total Budget Reallocation Between Budget Categories</b>											
9		Direct Labor	\$ -	\$ -	\$ -	\$ -	\$ -					
		Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -					
		Travel	\$ -	\$ -	\$ -	\$ -	\$ -					
		Equipment	\$ -	\$ -	\$ -	\$ -	\$ -					
		Materials/Misc.	\$ -	\$ -	\$ -	\$ -	\$ -					
		Subrecipients/Vendors	\$ -	\$ -	\$ -	\$ -	\$ -					
		Indirect Cost	\$ -	\$ -	\$ -	\$ -	\$ -					
		Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -	\$ -	\$ -			\$0	\$0	Select Yes or No
		<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
		Reallocation Decrease Subtotal										
	Reallocation Increase Subtotal											
	<b>Total Budget Reallocation Between Budget Categories</b>											
10		Direct Labor	\$ -	\$ -	\$ -	\$ -	\$ -					
		Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -					
		Travel	\$ -	\$ -	\$ -	\$ -	\$ -					
		Equipment	\$ -	\$ -	\$ -	\$ -	\$ -					
		Materials/Misc.	\$ -	\$ -	\$ -	\$ -	\$ -					
		Subrecipients/Vendors	\$ -	\$ -	\$ -	\$ -	\$ -					
		Indirect Cost	\$ -	\$ -	\$ -	\$ -	\$ -					
		Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -	\$ -	\$ -			\$0	\$0	Select Yes or No
		<b>Totals</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
		Reallocation Decrease Subtotal										
	Reallocation Increase Subtotal											
	<b>Total Budget Reallocation Between Budget Categories</b>											

Change #	Date Approved	Budget Categories	All values should be rounded to the dollar (\$1)				Total Amount of CEC Funds Moving Between Categories	Cumulative CEC Total (will reset after DD review)	Has this budget been approved by the Division Director (DD)?**
			CEC Share Funds		Match Share Funds				
			FROM (Approved Budget Totals)	TO (Revised Budget Totals)	Amount of CEC Funds Moving Between Categories	Amount of Match Funds Moving Between Categories			
<b>Worksheet Specific Instructions</b>									
Rounding: All budget values should be rounded to the dollar (\$1). Rounding of any values should be performed using standard rounding practices.									
**Regarding Division Director Approval: The cumulative total will reset automatically when it passes \$300K, or the budget has been approved by the Division Director for any other reason listed in the <u>Changes to Grants: Level of Approval and Notification Chart</u> .									
CONDITIONAL FORMATTING APPLIED: If the amount of funding (CEC or Match Share funds) moving between categories is positive, the corresponding Category Budget cell will turn green with conditional formatting (dark green text, light green fill).									
CONDITIONAL FORMATTING APPLIED: If the amount of funding (CEC or Match Share funds) moving between categories is negative, the corresponding Category Budget cell will turn red with conditional formatting (dark red text, light red fill).									
CONDITIONAL FORMATTING APPLIED: If the Budget Category Total for the "Amount of CEC Funds Moving Between Categories" is anything other than zero, the cell fill will turn red with conditional formatting. Also, the associated "Total Budget Reallocation Between Budget Categories" cell will display "Not Balanced", and the cell fill will turn red with conditional formatting. This indicates there is not an equal amount of funds moving between categories and may require a correction. However, if the overall CEC Funds are to be increased or decreased, a formal amendment is required. Contact your CAM for more instructions.									
CONDITIONAL FORMATTING APPLIED: If the Budget Category Total for the "Amount of Match Funds Moving Between Categories" is negative, the cell fill will turn red with conditional formatting. This indicates Match Funds are decreasing and requires a formal amendment. Contact your CAM for more instructions.									
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CONDITIONAL FORMATTING APPLIED: If the "Total Amount of CEC Funds Moving Between Categories" is greater than or equal to \$150,000, and less than or equal to \$300,000, the cell fill will turn yellow with conditional formatting. This indicates an amendment is required with a higher level of approval. Contact your CAM for more instructions.									
CONDITIONAL FORMATTING APPLIED: If the "Total Amount of CEC Funds Moving Between Categories" is greater than \$300,000, the cell fill will turn orange with conditional formatting. This indicates an amendment is required with an even higher level of approval. Contact your CAM for more instructions.									

**Worksheet Specific Instructions**

Rounding: All budget values should be rounded to the dollar (\$1). Rounding of any values should be performed using standard rounding practices.

\*\*Regarding Division Director Approval: The cumulative total will reset automatically when it passes \$300K, or the budget has been approved by the Division Director for any other reason listed in the Changes to Grants: Level of Approval and Notification Chart.

CONDITIONAL FORMATTING APPLIED: If the amount of funding (CEC or Match Share funds) moving between categories is positive, the corresponding Category Budget cell will turn green with conditional formatting (dark green text, light green fill).

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CONDITIONAL FORMATTING APPLIED: If the "Total Amount of CEC Funds Moving Between Categories" is greater than or equal to \$150,000, and less than or equal to \$300,000, the cell fill will turn yellow with conditional formatting. This indicates an amendment is required with a higher level of approval. Contact your CAM for more instructions.

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**EXHIBIT C  
CLEAN TRANSPORTATION PROGRAM TERMS AND CONDITIONS**

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**EXHIBIT C - APPENDIX 1  
STREAMLINING GRANT TERMS AND CONDITIONS**

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## TERMS AND CONDITIONS

### 1. Grant Agreement

This project is being funded with a grant from the California Energy Commission's (Energy Commission) Clean Transportation Program.

This Agreement is comprised of the grant funding award, the Terms and Conditions, and all attachments. These Terms and Conditions are standard requirements for grant awards. The Energy Commission may impose additional special conditions in this grant Agreement that address the unique circumstances of this project. Special conditions that conflict with these standard provisions take precedence.

The Recipient's authorized representative shall sign all copies of this Agreement and return all signed packages to the Energy Commission's Grants and Loans Office within 30 days. Failure to meet this requirement may result in the forfeiture of this award. When all required signatures are obtained, an executed copy will be returned to the Recipient.

The term of this Agreement or the Agreement Period is the length of this Agreement between the Energy Commission and the Recipient. Project means Recipient's specific project that is funded in whole or in part by this Agreement. The Recipient's project may coincide with or extend outside the Agreement Period.

All reimbursable work and/or the expenditure of funds must occur within the approved term of this Agreement. The Energy Commission cannot authorize any payments until all parties sign this Agreement.

### 2. Documents Incorporated by Reference

The documents below are incorporated by reference into this Agreement. These terms and conditions will govern in the event of a conflict with the documents below, with the exception of the documents in subsection (f). Where this Agreement or California laws and regulations are silent or do not apply, the Energy Commission will use the federal cost principles and acquisition regulations listed below as guidance in determining whether reimbursement of claimed costs is allowable. Documents incorporated by reference include:

**Solicitation Documents** (if award is made through a competitive solicitation)

- a. The funding solicitation under which this Agreement was awarded
- b. The Recipient's proposal submitted in response to the solicitation

**Federal Cost Principles** (applicable to state and local governments, Indian tribes, institutions of higher education, and nonprofit organizations)

- c. 2 Code of Federal Regulations (CFR) Part 200, Subpart E (Sections 200.400 et seq.)

**Federal Acquisition Regulations** (applicable to commercial organizations)

- d. 48 CFR, Ch.1, Subchapter E, Part 31, Subpart 31.2: Contracts with Commercial Organizations (supplemented by 48 CFR, Ch. 9, Subchapter E, Part 931, Subpart 931.2 for Department of Energy grants)

**Nondiscrimination**

- e. 2 California Code of Regulations, Section 11099 et seq.: Contractor Nondiscrimination and Compliance

**General Laws**

- f. Any federal, state, or local laws or regulations applicable to the project that are not expressly listed in this Agreement

**3. Funding Limitations**

Any federal, State, and local laws and regulations applicable to your project not expressly listed in this Agreement are incorporated herein as part of this Agreement.

**4. Due Diligence**

The Recipient is required to take timely actions which, taken collectively, move this project to completion. The Energy Commission Agreement Manager (CAM) will periodically evaluate the Schedule of Products and Due Dates for completion of the Statement of Work tasks. If the CAM determines (1) the Recipient is not being diligent in completing the tasks in the Statement of Work or (2) the time remaining in this Agreement is insufficient to complete all project work tasks by the approved Agreement end term date, the CAM may recommend that this Agreement be terminated, and the Agreement may, without prejudice to any of the Energy Commission's remedies, be terminated.

**5. Products**

Products are defined as any tangible item specified in the Statement of Work. Unless otherwise directed, draft copies of all products identified in the Work Statement shall be submitted to the CAM for review and comment. The Recipient will submit an original and two copies of the final version of all products to the CAM.

**6. Reports**

- a. Progress Reports

The Recipient shall submit progress reports to the CAM as indicated in the Special Conditions or Work Statement. At a minimum, each progress report shall include the following:

**Work Statement:** This section should include a brief restatement of the approved tasks in the Work Statement and a report on the status of each, including a discussion of any products due and whether or not the project is progressing according to schedule. This section also should include a discussion of any problems encountered, proposed changes to the tasks in the Work Statement, and anticipated accomplishments in the upcoming quarter.

**Financial Status:** This section should include a narrative report comparing costs incurred to date with the approved Budget. The report should state whether or not the project is progressing within the approved Budget and discuss any proposed changes.

**Additional Information:** Additional information may be required in the progress reports as specified in the Work Statement or Special Conditions.

b. Final Reports

A draft final report shall be submitted to the CAM in accordance with the currently approved Schedule of Products and Due Dates. At a minimum, the report shall include:

- Table of Contents.
- Abstract.
- A brief summary of the objectives of the project and how these objectives were accomplished.
- Any findings, conclusions, or recommendations for follow-up or ongoing activities that might result from the successful completion of the project.
- A statement of future intent of the grant Recipient to maintain or further develop the project.
- A consolidated list of subcontractors funded in whole or in part by the grant Recipient. Include the name, address, concise statement of work done, period, and value of each.
- Additional information as specified in this Agreement or as directed by the CAM.

The CAM will review the draft report. The Recipient will incorporate applicable comments and submit the final report (the original and two copies) to the CAM.

c. Electric Vehicle Charger Inventory Report

The Recipient shall submit Electric Vehicle Charger Inventory Reports as indicated in the Special Conditions or Work Statement.

If the Recipient is a charging network provider, each Electric Vehicle Charger Inventory Report shall include counts of all the chargers in the electric vehicle charging network in California. If the Recipient is not a

charging network provider, each electric vehicle charger inventory report shall include all the chargers the Recipient operates in California.

“Charging network provider” is defined as the entity that operates the digital communication network that remotely manages one or more chargers. Charging network providers may also serve as charging station operators and/or manufacture chargers.

Submission of a report in compliance with a regulation promulgated by the CEC that contains substantially similar reporting requirements shall be considered to satisfy this requirement.

d. **Rights in Reports**

The Energy Commission reserves the right to use and reproduce all reports and data produced and delivered pursuant to this Agreement, and reserves the right to authorize others to use or reproduce such materials. Each report becomes the property of the Energy Commission.

e. **Failure to Comply with Reporting Requirements**

Failure to submit a product required in the Scope of Work may be considered material noncompliance with the Agreement terms. Without prejudice to any other remedies, noncompliance may result in actions such as the withholding of future payments or awards, or the suspension or termination of the Agreement.

**7. Publications - Legal Statement on Reports and Products**

The Recipient is encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

No product or report produced as a result of work funded by this program shall be represented to be endorsed by the Energy Commission, and all such products or reports shall include the following statement:

**LEGAL NOTICE**

This document was prepared as a result of work sponsored by the California Energy Commission. It does not necessarily represent the views of the Energy Commission, its employees, or the State of California. The Energy Commission, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned rights.

**8. Changes to the Agreement**

a. **Procedure for Requesting Changes**

The Recipient must submit a written request to the CAM for any change to the Agreement. The request must include:

- A brief summary of the proposed change;
- A brief summary of the reason(s) for the change;
- Justification for the change; and
- The revised section(s) of the Agreement, with changes made in underline/ strikethrough format.

b. Approval of Changes

No amendment or variation of this Agreement shall be valid unless made in writing and signed by both of the parties except for the Commission's termination rights in Section 13 of these terms. No oral understanding or agreement is binding on any of the parties. Changes to the Agreement must be approved at a Commission business meeting or by the Executive Director (or his/her designee).

The CAM or Commission Agreement Officer will provide the Recipient with guidance regarding the level of Commission approval required for a proposed change.

c. Personnel or Subcontractor Changes

All changes below require advance written approval by the CAM, in addition to the appropriate level of Commission approval as described in subsection (b).

1) Replacement of Key Personnel, Subcontractors, and Vendors

The CAM must provide advance written approval of the replacement of personnel, subcontractors, and vendors who are identified in the Agreement and are critical to the outcome of the project, such as the Project Manager.

2) Assignment of New Personnel to an Existing Job Classification

If the Recipient or a subcontractor seeks to assign new personnel to a job classification identified in Exhibit B, the Recipient or subcontractor must submit the individual's resume and proposed job classification and rate to the CAM for approval. The proposed rate may not exceed the maximum rate identified for the job classification. Neither the Recipient nor any subcontractor may use the job classifications or rates of their subcontractors for personnel.

If the individual performs any work prior to the effective date of the amendment documenting the change, the Recipient will bear the expense of the work.

3) Promotion of Existing Personnel (Applies to Recipients and major subcontractors)

Promotion of existing Recipient and major subcontractor personnel to rates higher than those listed for their current classification in Exhibit B will not be approved. If the actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) exceed the approved rates in the Budget, the difference may be charged to the agreement as a match share expenditure.

- 4) Addition of job classifications and changes in hours.
- 5) Increased direct operating expenses and rates that exceed the expenses and rates identified in Exhibit B.

## **9. Contracting and Procurement Procedures**

This section provides general requirements for an agreement between the Recipient and a third party ("subcontractor").

Subcontracts must be submitted to the CAM for review, if requested. For subcontracts that are listed as "to be determined" in the Budget, the Recipient must submit a revised Budget to the CAM, identifying the subcontractor and specific items of cost expected to be incurred by that subcontractor. In addition, Recipient must have a fully executed subcontract before the subcontractor can incur any costs for which the Recipient will seek reimbursement.

The Recipient is required, where feasible, to employ contracting and procurement practices that promote open competition for all goods and services needed to complete this project. Recipient shall obtain price quotes from an adequate number of sources for all subcontracts.

The Energy Commission will defer to the Recipient's own regulations and procedures as long as they reflect applicable state and local laws and regulations and are not in conflict with the minimum standards specified in this Agreement.

Upon request, the Recipient must submit to the CAM a copy of all solicitations for services or products required to carry out the terms of this Agreement and copies of the proposals or bids received.

The Recipient is responsible for handling all contractual and administrative issues arising out of or related to any subcontracts it enters into under this Agreement.

All subcontracts must incorporate all of the following:

- A clear and accurate description of the material, products, or services to be procured as well as a detailed budget and timeline.
- Provisions that allow for administrative, contractual, or legal remedies in instances where subcontractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
- Provisions for termination by the Recipient, including termination procedures and the basis for settlement, and language conforming to the "Termination" provision related to Executive Order N-6-22 – Russia Sanctions.
- Language conforming to the "Nondiscrimination" provision in this Agreement.

- The Standard of Performance provisions specified in this Agreement.
- Retention of Records provisions specified in this Agreement.
- Audits provisions specified in this Agreement.
- Language conforming to the “Indemnification” provision in this Agreement.
- Language conforming to the “Receipt of Confidential Information and Personal Information” provision in this Agreement.
- Public Work -- Payment of Prevailing Wages Generally Required by Law provisions in this Agreement.
- Assembly Bill 841 (2020) provision specified in this Agreement.

Recipients who are subcontracting with University of California (UC) may use the terms and conditions negotiated by the Energy Commission with UC for their subcontracts. Recipients who are subcontracting with the Department of Energy (DOE) national laboratories may use the terms and conditions negotiated with DOE.

Without limiting any of the Commission’s other remedies, failure to comply with the above requirements may result in the termination of this Agreement.

**10. Bonding and Insurance**

The Recipient will follow its own bonding and insurance requirements relating to bid guarantees, performance bonds, and payment bonds without regard to the dollar value of the subcontract(s) as long as they reflect applicable state and local laws and regulations.

**11. Permits and Clearances**

The Recipient is responsible for ensuring all necessary permits and environmental documents are prepared and clearances are obtained from the appropriate agencies.

**12. Equipment**

Equipment is defined as having a useful life of at least one year, having an acquisition unit cost of at least \$5,000, and purchased with Energy Commission funds. Equipment means any products, objects, machinery, apparatus, implements or tools purchased, used or constructed within the Project, including those products, objects, machinery, apparatus, implements or tools from which over thirty percent (30%) of the equipment is composed of materials purchased for the Project. For purposes of determining depreciated value of equipment used in the Agreement, the Project shall terminate at the end of the normal useful life of the equipment purchased, funded and/or developed with Energy Commission funds. The Energy Commission may determine the normal useful life of such equipment.

Title to equipment acquired by the Recipient with grant funds shall vest in the Recipient. The Recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by grant funds, and the Recipient shall not encumber the property without CAM approval. When no longer needed for the original project or program, the Recipient shall contact the CAM for disposition instructions.

### 13. Termination

This project may be terminated for any reason set forth below.

#### a. With Cause

The Energy Commission may, for cause, terminate this Agreement upon giving five (5) calendar days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

The term “for cause” includes but is not limited to the following:

- Partial or complete loss of match funds;
- Reorganization to a business entity unsatisfactory to the Energy Commission;
- Retention or hiring of subcontractors, or replacement or addition of personnel, that fail to perform to the standards and requirements of this Agreement;
- The Recipient’s inability to pay its debts as they become due and/or the Recipient’s default of an obligation that impacts its ability to perform under this Agreement; or
- Significant change in state or Energy Commission policy such that the work or product being funded would not be supported by the Commission.

#### b. Without Cause

The Energy Commission may terminate this Agreement without cause upon giving thirty (30) days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

#### c. Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. **“Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State**

**determine Recipient is a target of Economic Sanctions or is conducting** prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide

Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

#### **14. Stop Work**

Energy Commission staff may, at any time, by written notice to Recipient, require Recipient to stop all or any part of the work tasks in this Agreement. Stop work orders may be issued for reasons such as a project exceeding budget, standard of performance, out of scope work, delay in Project schedule, misrepresentations and the like.

- a. Compliance. Upon receipt of such stop work order, Recipient shall immediately take all necessary steps to comply therewith and to stop the incurrence of costs allocable to the Energy Commission.
- b. Canceling a Stop Work Order. Recipient shall resume the work only upon receipt of written instructions from Energy Commission staff.

#### **15. Travel and Per Diem**

- a. The Recipient shall be reimbursed for travel and per diem expenses using the same rates provided to non-represented State employees. The Recipient must pay for travel in excess of these rates. The Recipient may obtain current rates from the Energy Commission's Web Site at: [http://www.energy.ca.gov/contracts/TRAVEL\\_PER\\_DIEM.PDF](http://www.energy.ca.gov/contracts/TRAVEL_PER_DIEM.PDF).
- b. For purposes of payment, Recipient's headquarters shall be considered the location of the Recipient's office where the employees' assigned responsibilities for this award are permanently assigned.
- c. Travel identified in the Budget section of this Agreement is approved and does not require further authorization.
- d. Travel that is not included in the Budget section of this Agreement shall require written authorization from the CAM and Commission Agreement Officer prior to travel departure. The Energy Commission will reimburse travel expenses from the Recipient's office location.
- e. The Recipient must retain documentation of travel expenses in its financial records. The documentation must be listed by trip and include dates and times of departure and return, departure and destination cities. Travel receipts, including for travel meals and incidentals, shall be submitted with payment requests requesting reimbursement from the Energy Commission.

## **16. Standard of Performance**

Recipient, its subcontractors and their employees, in the performance of Recipient's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Recipient's field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, as directed by CAM, shall be borne in total by Recipient and not the Energy Commission. The failure of a project to achieve the performance goals and objectives stated in the Work Statement is not a basis for requesting re-performance unless the work conducted by Recipient and/or its subcontractors is deemed by the Energy Commission to have failed the foregoing standard of performance.

In the event Recipient/subcontractor fails to perform in accordance with the above standard:

- a. Recipient/subcontractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of the CAM. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Recipient/subcontractor shall work any overtime required to meet the deadline for the task at no additional cost to the Energy Commission;
- b. The Energy Commission shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
- c. The Energy Commission shall have the option to direct Recipient/subcontractor not to re-perform any task which was not performed to the reasonable satisfaction of the CAM pursuant to application of (a) and (b) above. In the event the Energy Commission directs Recipient/subcontractor not to re-perform a task, the Energy Commission and Recipient shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the Energy Commission's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the Energy Commission may have under law.

## **17. Payment of Funds**

The Energy Commission agrees to reimburse the Recipient for actual allowable expenditures incurred in accordance with the Budget. The rates in the Budget are rate caps, or the maximum amount allowed to be billed.

The Recipient can only bill for actual expenses incurred at the Recipient's actual rates not to exceed the rates specified in the Budget (e.g., direct labor rates, fringe benefit rates, and indirect rates). For example, if the Budget includes an employee's hourly rate of \$50/hour but the employee is only paid \$40/hour, the Recipient can only bill for \$40/hour. Under the same example, if the employee earned \$70/hour but the Budget only lists \$50/hour, the Recipient can only bill for \$50. Another example is if the maximum fringe benefit rate listed in the Budget is 20% but the Recipient's actual fringe benefit rate is only 15%, the Recipient can only bill at 15%. If the actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) exceed the approved rates in the Budget, the difference may be charged to the agreement as a match share expenditure.

a. Payment Requests

The Recipient may request payment from the Energy Commission at any time during the term of this Agreement. The final payment request must be received by either (1) the approved Agreement end term date, or (2) the date specified in the Special Terms and Conditions of this Agreement (if any), whichever is earlier.

Payments will generally be made on a reimbursement basis for Recipient expenditures, i.e., after the Recipient has incurred the cost for a service, product, supplies, or other approved budget item. No reimbursement for food or beverages shall be made other than allowable per diem charges.

Funds in this Agreement have a limited period in which they must be expended. All Recipient expenditures must occur within the approved term of this Agreement.

b. Documentation

All payment requests must be submitted using a completed Payment Request form. This form must be accompanied by an itemized list of all charges and copies of all receipts or invoices necessary to document these charges for both Energy Commission and match share, including backup documentation for actual expenditures, such as time cards, vendor invoices, and proof of payment. Any payment request that is submitted without the itemization will not be authorized. If the itemization or documentation is incomplete, inadequate, or inaccurate, the CAM will inform the Recipient via a Dispute Notification Form (Std. 209) and hold the invoice until all required information is received or corrected. Any penalties imposed on the Recipient by a subcontractor because of delays in payment will be paid by the Recipient.

Any documentation in foreign currency must be converted to dollars, and the conversion rate must be included in your itemization.

c. Certification

The following certification shall be included on each Payment Request form and signed by the Recipient's authorized officer:

*I certify that this invoice is correct and proper for payment, and reimbursement for these costs has not and will not be received from any other sources, including but not limited to a government entity contract, subcontract or other procurement method.*

*Additional certification required related to the payment of prevailing wages. Refer to section 26 of these terms and conditions for more information.*

d. Government Entity

Government Entity is defined as a governmental agency from California or any state or a state college or state university from California or any state; a local government entity or agency, including those created as a Joint Powers Authority; an auxiliary organization of the California State University or a California community college; the Federal Government; a foundation organized to support the Board of Governors of the California Community Colleges or an auxiliary organization of the Student Aid Commission established under Education Code 69522.

e. Release of Funds

The CAM will not process any payment request during the Agreement term until the following conditions have been met:

- All required reports have been submitted and are satisfactory to the CAM.
- All applicable special conditions have been met.
- All appropriate permits or permit waivers from governmental agencies have been issued to the Recipient and copies have been received by the CAM.
- All products due have been submitted and are satisfactory to the CAM.
- Other prepayment conditions as may be required by the CAM have been met. Such conditions will be specified in writing ahead of time, if possible.

f. Fringe Benefits, Indirect Overhead, and General and Administrative (G&A),

Indirect cost rates must be developed in accordance with generally accepted accounting principles. If the Recipient has an approved fringe benefits or indirect cost rate (indirect overhead or G&A) from their cognizant Federal Agency, the Recipient may bill at the federal rate up to the Budget rate caps if the following conditions are met:

- The Recipient may bill at the federal provisional rate but must adjust annually to reflect their actual final rates for the year in accordance with the Labor, Fringe, and Indirect Invoicing Instructions which can be accessed in this agreement.

- The cost pools used to develop the federal rates must be allocable to the Energy Commission Agreement, and the rates must be representative of the portion of costs benefiting the Energy Commission Agreement. For example, if the federal rate is for manufacturing overhead at the Recipient's manufacturing facility and the Energy Commission Agreement is for research and development at their research facility, the federal indirect overhead rate would not be applicable to the Energy Commission Agreement.
- The federal rate must be adjusted to exclude any costs that are specifically prohibited in the Energy Commission Agreement.
- The Recipient may only bill up to the Agreement Budget rate caps unless and until an amendment to the Agreement Budget is approved.

g. Retention

It is the Energy Commission's policy to retain 10 percent of any payment request or 10 percent of the total Energy Commission award at the end of the project. After the project is complete the Recipient must submit a completed payment request form requesting release of the retention. The CAM will review the project file and, when satisfied that the terms of the funding Agreement have been fulfilled, will authorize release of the retention.

h. State Controller's Office

Payments are made by the State Controller's Office.

**18. Fiscal Accounting Requirements**

a. Accounting and Financial Methods

The Recipient shall establish a separate ledger account or fund for receipt and disbursement of Energy Commission funds for each project funded by the Energy Commission. Expenditure details must be maintained in accordance with the approved budget details using appropriate accounting practices.

b. Retention of Records

The Recipient shall retain all project records (including financial records, progress reports, and payment requests) for a minimum of three (3) years after the final payment has been received or three years after the federal grant term, whichever is later, unless otherwise specified in the funding Agreement.

Records for nonexpendable personal property acquired with grant funds shall be retained for three years after its final disposition or three years after the federal grant term, whichever is later.

c. Audits

Upon written request from the Energy Commission, the Recipient shall provide detailed documentation of all expenses at any time throughout the project. In addition, the Recipient agrees to allow the Energy Commission or any other agency of the State, or their designated representative, upon written request, to have reasonable access to and the right of inspection of all records that pertain to the project during the term of this Agreement and for a period of three (3) years thereafter or three years after the federal grant term, whichever is later, unless the Energy Commission notifies the Recipient, prior to the expiration of such three-year period, that a longer period of record retention is necessary. Further, the Recipient agrees to incorporate an audit of this project within any scheduled audits, when specifically requested by the State. Recipient agrees to include a similar right to audit in any subcontract.

Recipients are strongly encouraged to conduct annual audits in accordance with the single audit concept. The Recipient should provide two copies of the independent audit report and any resulting comments and correspondence to the CAM within 30 days of the completion of such audits.

d. Match Share Requirements

Match Share means cash or in-kind (non-cash) contributions provided by Recipient, subcontractors or third parties that will be used in performance of this Agreement.

The Recipient agrees to provide the Minimum Match Share Percentage of Total Allowable Project Costs, even if the Agreement is terminated early or otherwise ends before project completion. The Minimum Match Share Percentage is the Minimum Match Share Required (as specified on the CEC-146) divided by the Total of Reimbursable Amount and Minimum Match Share Required (as specified on the CEC-146). Total Allowable Project Costs is the sum of all actual, allowable costs incurred in performance of the Agreement and approved by the Energy Commission.

For example, if the CEC-146 specifies the following,

Reimbursable Amount \$200,000
Minimum Match Share Required \$50,000
Total of Reimbursable Amount and Minimum Match Share Required \$250,000
Minimum Match Share Percentage of Total Allowable Project Costs 20%

the Recipient agrees to be liable for a minimum of 20% (\$50,000 divided by \$250,000) of Total Allowable Project Costs. In this example and at the end of the agreement, if Total Allowable Project Costs is \$125,000, the Recipient shall have provided a minimum of \$25,000 (\$125,000 times 20%) as match share.

Without limiting any of the Energy Commission's other rights or remedies, the Recipient agrees that if it fails to provide the Minimum Match Share Percentage of Total Allowable Project Costs, and if requested by the Energy Commission, the Recipient shall repay an amount to ensure the Recipient provides, at a minimum, the Minimum Match Share Percentage of Total Allowable Project Costs.

For example, and building upon the previous example, if:

- A. Energy Commission funds disbursed = \$110,000
- B. Match Share Documented and Approved = \$15,000
- C. Total Allowable Project Costs = \$125,000 (Line A plus Line B)
- D. Minimum Match Share Percentage of Total Allowable Project Costs = 20%
- E. Minimum Match Share Amount Required = \$25,000 (Line C multiplied by Line D)

the Energy Commission may request, and the Recipient would be required to repay upon such request, \$10,000 (Line E minus Line B) to the Energy Commission.

The maximum amount to be reimbursed by the Energy Commission under this Agreement is the Reimbursable Amount specified on the CEC-146. The Energy Commission award amount is fixed and will not be augmented. If actual Total Allowable Project Costs exceed estimated Total Allowable Project Costs, the Recipient is responsible for those additional costs.

The Recipient must maintain accounting records detailing the expenditure of the Match Share and provide documentation of expenditures as described in this Agreement (e.g., under this Exhibit C "Payment of Funds" and "Fiscal Accounting Requirements").

In the event of any conflict or inconsistency between the Minimum Match Share Required specified on the CEC-146 and the Match Share specified on other Exhibits to this Agreement, the Minimum Match Share Required specified on the CEC-146 shall control.

## **19. Indemnification**

The Recipient agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to Recipient and to any and all contractors, subcontractors, materialmen, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Recipient in the performance of this Agreement.

## **20. Workers' Compensation Insurance**

- a. Recipient hereby warrants that it carries Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.
- b. If Recipient is self-insured for worker's compensation, it hereby warrants such self-insurance is permissible under the laws of the State of California and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.

## **21. General Provisions**

### **a. Governing Law**

It is hereby understood and agreed that this Agreement shall be governed by the laws of the State of California as to interpretation and performance.

### **b. Independent Capacity**

The Recipient, and the agents and employees of the Recipient, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the Energy Commission.

### **c. Assignment**

Without the written consent of the Energy Commission in the form of a formal written amendment, this Agreement is not assignable or transferable by Recipient either in whole or in part.

### **d. Timeliness**

Time is of the essence in this Agreement.

### **e. Unenforceable Provision**

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

f. Waiver

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law.

g. Assurances

The Energy Commission reserves the right to seek further written assurances from the Recipient and its team that the work of the project under this Agreement will be performed consistent with the terms of the Agreement.

h. Change in Business

(1) Recipient shall promptly notify the Energy Commission of the occurrence of each of the following:

- (a) A change of address.
- (b) A change in the business name or ownership.
- (c) The existence of any litigation or other legal proceeding affecting the project.
- (d) The occurrence of any casualty or other loss to project personnel, equipment or third parties of a type commonly covered by insurance.
- (e) Receipt of notice of any claim or potential claim against Recipient for patent, copyright, trademark, service mark and/or trade secret infringement that could affect the Energy Commission's rights.

(2) Recipient shall not change or reorganize the type of business entity under which it does business except upon prior written notification to the Energy Commission. A change of business entity or name change requires an amendment assigning or novating the Agreement to the changed entity. In the event the Energy Commission is not satisfied that the new entity can perform as the original Recipient, the Energy Commission may terminate this Agreement as provided in the termination paragraph.

i. Survival of Terms

It is understood and agreed that certain provisions shall survive the completion or termination date of this Agreement for any reason. The provisions include, but are not limited to:

- "Payments of Funds"
- "Equipment"
- "Change in Business"
- "Termination"

- “Audit”
- “Indemnification”
- “Fiscal Accounting Requirements”
- “Receipt of Confidential Information and Personal Information”

## **22. Certifications and Compliance**

### **a. Federal, State and Municipal Requirements**

Recipient must obtain any required permits and shall comply with all applicable federal, State, and municipal laws, rules, codes, and regulations for work performed under this Agreement.

### **b. Nondiscrimination Statement of Compliance**

During the performance of this Agreement, Recipient and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Recipient and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Recipient and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Sections 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4.1 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part of it as if set forth in full. Recipient and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

c. Drug-Free Workplace Certification

By signing this Agreement, the Recipient hereby certifies under penalty of perjury under the laws of the State of California that the Recipient will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- (1) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations as required by Government Code Section 8355(a)(1).
- (2) Establish a Drug-Free Awareness Program as required by Government Code Section 8355(a)(2) to inform employees about all of the following:
  - The dangers of drug abuse in the workplace;
  - The person's or organization's policy of maintaining a drug-free workplace;
  - Any available counseling, rehabilitation, and employee assistance programs; and
  - Penalties that may be imposed upon employees for drug abuse violations.
- (3) Provide, as required by Government Code Section 8355(a)(3), that every employee who works on the proposed project:
  - Will receive a copy of the company's drug-free policy statement;
  - Will agree to abide by the terms of the company's statement as a condition of employment on the project.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both, and the Recipient may be ineligible for any future State awards if the Energy Commission determines that any of the following has occurred: (1) the Recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

d. Child Support Compliance Act (Applicable to California Employers)

For any Agreement in excess of \$100,000, the Recipient acknowledges that:

- It recognizes the importance of child and family support obligations and shall fully comply with all applicable State and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

- To the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- e. Americans with Disabilities Act
- By signing this Agreement, Recipient assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101, et seq.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

### **23. Site Visits**

The Energy Commission and/or its designees have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. Recipient must provide and must require subawardees to provide reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

### **24. Confidential Recipient Information**

a. Identification of Confidential Recipient Information

For the purposes of this Section, “Confidential Recipient Information” refers to information belonging to the Recipient that the Recipient has satisfactorily identified as confidential and the Energy Commission has agreed to designate as confidential under Title 20 California Code of Regulations Section 2505. If applicable, all Recipient information considered confidential at the commencement of this Agreement is designated in an Attachment to this Exhibit.

b. Confidential Deliverables: Labeling and Submitting Confidential Recipient Information

Prior to the commencement of this Agreement, if applicable, the parties have identified in the Attachment to this Exhibit, specific Confidential Recipient Information to be provided as a deliverable. All such confidential deliverables shall be marked, by the Recipient, as “Confidential” on each page of the document containing the Confidential Recipient Information and presented in a sealed package to the Commission Agreement Officer. (Non-confidential deliverables are submitted to the Accounting Office.) All Confidential Recipient Information will be contained in the “confidential” volume: no Confidential Recipient Information will be in the “public” volume.

- c. Submittal of Unanticipated Confidential Recipient Information as a Deliverable  
The Recipient and the Energy Commission agree that during this Agreement, it is possible that the Recipient may obtain or develop additional data or information not originally identified as a confidential deliverable. In this case, Recipient shall follow the procedures for a request for designation of Confidential Information specified in 20 CCR 2505. The Energy Commission's Executive Director makes the determination of confidentiality. Such subsequent determinations may be added to the list of confidential deliverables in an Attachment to this Exhibit.
- d. Disclosure of Confidential Recipient Information  
Disclosure of Confidential Recipient Information by the Energy Commission may only be made pursuant to 20 CCR 2506 and 2507. All confidential data, records or deliverables that are legally disclosed by the Recipient or any other entity become public records and are no longer subject to the above confidentiality designation.

## 25. Receipt of Confidential Information and Personal Information

- a. For the purposes of this Section, "confidential information" refers to information the Energy Commission has designated as confidential pursuant to Title 20 CCR Section 2505 et seq., information the Energy Commission has otherwise deemed or stated to be confidential, and other information exempt from public disclosure under the provisions of the California Public Records Act or other applicable state or federal laws.
- b. For the purposes of this Section, "personal information" refers to information that meets the definition of "personal information" in California Civil Code section 1798.3(a) or one of the data elements set forth in California Civil Code section 1798.29(g)(1) or (g)(2). **Personal information is a type of confidential information and is therefore subject to all requirements for confidential information provided in this Agreement and applicable law. However, there are additional requirements specific to personal information.**
- c. For the purposes of this Section, "special terms for confidential information" refers to the Energy Commission's special terms and conditions for the receipt of confidential information and personal information. The Energy Commission's special terms for confidential information include, but are not limited to, having in place an Information Security Program Plan and obtaining nondisclosure agreements from all individuals who will be provided access to confidential information or personal information.
- d. If the Recipient will receive confidential information or personal information from the Energy Commission or a third-party for the performance of this Agreement, the Recipient must first agree to and comply with the Energy Commission's special terms for confidential information.

- e. If any other individual or entity participating in any way with this Agreement, including but not limited to subcontractors, subawardees, vendors, and other project partners, will receive confidential information or personal information from the CEC or a third-party for the performance of this Agreement, that individual or entity must first agree to and comply with the CEC's special terms for confidential information. The Recipient must flow-down the CEC's special terms for confidential information into each subcontract, subaward, vendor agreement, or other project partner agreement that will be provided access to confidential information or personal information before the individual or entity has access to any such information. Recipient must also require all individuals and entities to flow-down this Section to any lower tier subcontractors, subawardees, vendors, project partners, and other individual or entity participating in any way with this Agreement that will be provided access to Confidential Information or Personal Information before the individual or entity has access to any such information.
- f. If this Agreement does not include the Energy Commission's special terms for confidential information and the Energy Commission determines the Recipient or any other individual or entity participating in any way with this Agreement will receive confidential information or personal information from the Energy Commission or a third-party for the performance of this Agreement, the Energy Commission reserves the option to amend this Agreement to add its special terms for confidential information.
- g. Except as provided in Title 20 CCR Sections 2506, 2507, and 2508, and the Energy Commission's special terms for confidential information, Recipient or any other individual or entity participating in any way with this Agreement may not disclose any information provided to it by the Energy Commission or a third party for the performance of this Agreement if the information has been designated as confidential or is the subject of a pending application for confidential designation.

## **26. Budget Contingency Clause**

It is mutually agreed that this Agreement shall be of no further force and effect if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the work identified in the Scope of Work. In this event, the Energy Commission shall have no liability to pay any funds whatsoever to the Recipient or to furnish any other consideration under this Agreement, and the Recipient shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the Energy Commission shall have the option to either: 1) cancel this Agreement with no liability occurring to the Energy Commission; or 2) offer an Agreement Amendment to the Recipient to reflect the reduced amount.

## 27. Public Works -- Payment of Prevailing Wages

### Generally Required by Law

Projects that receive an award of public funds from the Energy Commission often involve construction, alteration, demolition, installation, repair or maintenance work over \$1,000.

**NOTE: Projects that receive an award of public funds from the Energy Commission are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000.**

Accordingly, the Energy Commission assumes that all projects it funds are public works. Projects deemed to be public works require among other things the payment of prevailing wages.

**NOTE: Prevailing wage rates can be significantly higher than non-prevailing wage rates.**

By accepting this Agreement, Recipient as a material term of this Agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Therefore, as a material term of this Agreement, Recipient must either:

(a) Proceed on the assumption that the project is a public work and ensure that:

- (i) prevailing wages are paid; and
- (ii) the project budget for labor reflects these prevailing wage requirements; and
- (iii) the project complies with all other requirements of prevailing wage law including but not limited to keeping accurate payroll records, and complying with all working hour requirements and apprenticeship obligations;

or,

(b) Timely obtain a legally binding determination from DIR or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work.

**NOTE: Only the California Department of Industrial Relations (DIR) and courts of competent jurisdiction have jurisdiction to issue legally binding determinations that a particular project is or is not a public work.**

If the Recipient is unsure whether the project receiving this award is a “public work” as defined in the California Labor Code, it may wish to seek a timely determination from the California Department of Industrial Relations (DIR) or an appropriate court.

**NOTE: Such processes can be time consuming and therefore it may not be possible to obtain a timely determination before the date for performance of the award commences.**

If the Recipient does not timely obtain a binding determination from DIR or a court of competent jurisdiction that the project is not a public work, before this Agreement from the Energy Commission is executed, the Recipient shall assume that the project is a public work and that payment of prevailing wages is required and shall pay prevailing wages unless and until such time as the project is subsequently determined to not be a public work by DIR or a court of competent jurisdiction.

**NOTE: California Prevailing Wage law provides for substantial damages and financial penalties for failure to pay prevailing wages when payment of prevailing wages is required.**

**Subcontractors and Flow-down Requirements.** Recipient shall ensure that its subcontractors, if any, also comply with above requirements with respect to public works/prevailing wage. Recipient shall ensure that all agreements with its contractors/subcontractors to perform work related to this Project contain the above terms regarding payment of prevailing wages on public works projects. Recipient shall be responsible for any failure of Recipient’s subcontractors to comply with California prevailing wage and public works laws.

**Indemnification and Breach.** Any failure of Recipient or its subcontractors to comply with the above requirements shall constitute a breach of this Agreement that excuses the Energy Commission’s performance of this Agreement at the Energy Commission’s option, and shall be at Recipient’s sole risk. In such a case, Energy Commission may refuse payment to Recipient of any amount under this Agreement and Energy Commission shall be released, at its option, from any further performance of this award or any portion thereof. By accepting this Agreement, and **as a material term of this Agreement,** Recipient agrees to indemnify the Energy Commission and hold the Energy Commission harmless for any and all financial consequences arising out of or **resulting from the failure of Recipient and/or any of Recipient’s subcontractors to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law.**

**Budget.** Recipient's budget on public works projects must indicate which job classifications are subject to prevailing wage. For detailed information about prevailing wage and the process to determine if the proposed project is a public work, Recipient may wish to contact the California Department of Industrial Relations (DIR) or a qualified labor attorney of their choice for guidance.

**Covered Trades.** For public works projects, Recipient may contact DIR for a list of covered trades and the applicable prevailing wage.

**Questions.** If Recipient has any questions about this contractual requirement or the wage, record keeping, apprenticeship or other significant requirements of California prevailing wage law, it is recommended that Recipient consult DIR and/or a qualified labor attorney of its choice before accepting this Agreement.

**Certification.** Recipient shall certify to the Energy Commission on each Payment Request Form, either that (1) prevailing wages were paid to eligible workers who provided labor for work covered by the payment request and that the Recipient and all contractors and subcontractors otherwise complied with all California prevailing wage laws, or (2) that the project is not a public work requiring the payment of prevailing wages. In the latter case, Recipient shall provide competent proof of a DIR or court determination that the project is not a public work requiring the payment of prevailing wages.

Prior to the release of any retained funds under this Agreement, the Recipient shall submit to the Energy Commission the above-described certificate signed by the Recipient and all contractors and subcontractors performing public works activities on the project. Absent such certificate, Recipient shall have no right to any funds under this Agreement, and Energy Commission shall be relieved of any obligation to pay said funds.

## **28. Intellectual Property**

The Energy Commission makes no claim to intellectual property developed under this Agreement that is not specified for delivery, except as expressly provided herein.

## **29. Commission Remedies for Recipient's Non-Compliance**

Without limiting any of its other remedies, the Commission may, for Recipient's noncompliance of any Agreement requirement, withhold future payments, demand and be entitled to repayment of past reimbursements, or suspend or terminate this Agreement. The tasks in the Scope of Work are non-severable, and completion of all of them is material to this Agreement. Thus, the Commission, without limiting its other remedies, is entitled to repayment of all funds paid to Recipient if the Recipient does not timely complete all tasks in the Scope of Work.

### **30. Assembly Bill 841 (2020)**

By signing this Agreement, Recipient as a material term of this Agreement shall be fully responsible for complying with this section. AB 841 (Ting, 2020) added Public Utilities Code (PUC) section 740.20, which requires Electric Vehicle Infrastructure Training Program (EVITP) certification to install electric vehicle charging infrastructure and equipment for work performed on or after January 1, 2022, subject to certain exceptions. As a policy matter, the CEC is applying the EVITP certification requirements to project work funded under this Agreement, regardless of whether it might be performed prior to January 1, 2022, unless an exception applies.

Therefore, applying PUC 740.20 EVITP requirements to this Agreement means that all electric vehicle charging infrastructure and equipment located on the customer side of the electrical meter shall be installed by a contractor with the appropriate license classification, as determined by the Contractors' State License Board, and at least one electrician on each crew, at any given time, who holds an EVITP certification. Projects that include installation of a charging port supplying 25 kilowatts or more to a vehicle must have at least 25 percent of the total electricians working on the crew for the project, at any given time, who hold EVITP certification. One member of each crew may be both the contractor and an EVITP certified electrician. The requirements stated in this paragraph do not apply to any of the following:

- (1) Electric vehicle charging infrastructure installed by employees of an electrical corporation or local publicly owned electric utility.
- (2) Electric vehicle charging infrastructure funded by moneys derived from credits generated from the Low Carbon Fuel Standard Program (Subarticle 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations).
- (3) Single-family home residential electric vehicle chargers that can use an existing 208/240-volt outlet.

**EXHIBIT C- APPENDIX 1  
STREAMLINING GRANT TERMS AND CONDITIONS**

The California Energy Commission (CEC) has undergone a significant effort to improve its grant agreements across its programs. Until the CEC is able to revise all of its standard terms and conditions templates to implement these improvements, the CEC is adding this Exhibit C Appendix to new grant agreements. The CEC acknowledges that terms in this Appendix will conflict with some of the terms and other requirements in the grant agreement. Accordingly, where there is a conflict, the CEC and Recipient agree that this Appendix controls. Outside of the changes made by this Appendix, all other grant terms and requirements remain unchanged.

**Acronyms and Terms Used in this Document and Their Meaning**

<b>Acronym/ Term</b>	<b>Meaning</b>
Agreement	The grant agreement executed between the CEC and the Recipient.
Budget Categories	Means the following categories in Exhibit B, Budget: Direct Labor, Fringe Benefits, Travel, Equipment, Materials and Miscellaneous, Subrecipients and Vendors (formerly Subcontractors), and Indirect Costs and Profit.
CAM	Commission Agreement Manager
CEC	California Energy Commission
Existing Terms	The terms that might be found in any of the CEC grant agreements in any of its programs, including the terms for this Agreement.
Incurred Costs	An expense for which the Recipient has become liable (legally obligated) to pay.
MTDC	Modified Total Direct Costs, which means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, rental costs, tuition remission, scholarships and fellowships, and the portion of each subaward in excess of \$25,000.
Paid Costs	An expense for which the Recipient has already made payment.
Recipient	The entity that executed this Agreement with the CEC.
Subaward	For the Recipient, a Subaward means all agreements it has with Subrecipients and Vendors. For a Subrecipient, a Subaward means all agreements it has with Sub-Subrecipients and Vendors. For any lower-tiered level of Sub-Subrecipient, a Subaward means all agreements it has with its own Sub-Subrecipients and Vendors.
Subrecipient (formerly Subcontractor)	A person or entity that receives grant funds directly from the Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the grant's activities. A Subrecipient's role involves discretion over grant activities and is not merely just selling goods or services.

<b>Acronym/ Term</b>	<b>Meaning</b>
Sub-Subrecipient	Has the same meaning as a Subrecipient except that it receives grant funds from a Subrecipient or any lower tier level of a Sub-Subrecipient.
Vendor	A person or entity that sells goods or services to the Recipient, Subrecipient, or any lower-tiered level of Sub-Subrecipient, in exchange for some of the grant funds, and does not make decisions about how to perform the grant's activities. The Vendor's role is ministerial and does not involve discretion over grant activities.
These Terms	The terms in this document titled "Streamlining Grant Terms and Conditions."

### **1. Decoupling Products from Invoices**

Existing Terms typically require grant recipients to submit products with invoices. This is no longer required. Recipients can separately submit products and invoices.

### **2. Quarterly Instead of Monthly Reports**

Most grants include within their scopes of work an administrative task requiring grant recipients to submit monthly progress reports, often concurrent with submission of an invoice. This is no longer required. Instead, Recipients will now submit progress reports quarterly instead of monthly. Unless a different arrangement is discussed with and approved by the Commission Agreement Manager (CAM) in writing, which can be done without amending these terms (e.g., as simple as an email from the CAM), quarterly means by the tenth day of each January, April, July, and October.

### **3. New Requirement for Monthly Calls with the CAM**

Instead of monthly progress reports currently required under Task 1, Recipients shall participate in brief phone calls that will occur at least monthly and which will be initiated by the CAM to briefly discuss project progress and identify any emerging issues. Monthly calls might not be held on those months when a quarterly progress report is submitted or the CAM determines that a monthly call is unnecessary.

### **4. Amendments and Other Changes**

Existing Terms typically require a written amendment signed by both the CEC and Recipient for any change to the grant agreement. In contrast, These Terms allow certain changes, as described in this document, to be made to this Agreement without a formal amendment.

## A. Budget Reallocations

No CEC approval is needed for a Recipient, Subrecipient, or any lower-tiered level of Sub-Subrecipient to move funds **within** each of the following Budget Categories listed in the Exhibit B: Direct Labor, Fringe Benefits, Travel, Equipment, Materials and Miscellaneous, Subrecipients, and Indirect Costs. (However, please note that per section 4.B. below, any new M&M, Equipment, Subrecipient or Vendor not listed in the budget does need to be approved prior to reimbursement.) If the Recipient wants to move funds between Budget Categories or submits an invoice that if paid would exceed a Budget Category, the Recipient has at least the following choices:

1. Request an amendment from the CEC. The CEC will not pay the invoice if and until an amendment is approved, except possibly for the final invoice per section 4.A.3 below. In its sole discretion, the CEC might pay the portion of the invoice that does not involve the amount that goes beyond the Budget Category.
2. Retract the invoice and resubmit a corrected one that keeps within Budget Categories. The Recipient can treat the amount paid beyond the Budget Category as match funds if the expenditure meets all of the applicable Agreement requirements for match funds.
3. If there is a Budget Category overage on the final invoice, the Recipient can discuss with the CAM if the invoice can be approved without needing the amendment in section 4.A.1 above. The CAM will require a written justification for the budget category overage to determine if the invoice can be approved.

This new flexibility does NOT mean the Recipient can exceed the overall Agreement amount.

Because Existing Terms may define “Budget Reallocation” to mean the movement of funds between tasks and possibly in other ways than moving funds between Budget Categories, such definitions are considered deleted and superseded by These Terms.

## B. New Items under Materials and Miscellaneous, and Equipment

The CAM must approve in writing of any new materials and miscellaneous expenses of \$5,000 or more or new equipment the Recipient plans to purchase and be reimbursed under this Agreement that is not already listed in Exhibit B, Budget. To accomplish this, the Recipient can submit either prior to invoicing or with its invoice a completed form titled "[NEW EQUIPMENT/M&M FORM](#)" which includes a description of the item and a brief explanation of the need for the item. The CAM will approve items that he or she determines to be necessary to the Agreement and do not exceed budgeted amounts for each Budget Category unless Recipient follows the processes in section 4.A. “Budget Reallocation” directly above.

Any restrictions in the solicitation or elsewhere in the Agreement still apply to the specific items under Materials and Miscellaneous, and Equipment that can be purchased using CEC Funds or Match Share Funds. The restrictions still apply even though the CAM does not have to approve new materials and miscellaneous expenses under \$5,000.

#### C. An Amendment is No Longer Needed to Replace “Key Personnel.”

Existing Terms typically require Recipients and their Subrecipients to obtain advance written approval, sometimes through a formal written amendment, before the Recipient added or replaced key or other personnel, or added or removed job classifications. Now, except when replacing “key personnel” the Recipient and its Subrecipients and any lower-tiered level of Sub-Subrecipient, can make change related to their respective personnel without written approval. Although changes to “key personnel” do require written approval, that approval can be requested and granted simply through an e-mail communication or other form of written communication.

These Terms clarify that Recipients may be reimbursed for actual expenses incurred by new “key personnel” during the term of the Agreement, even if written approval comes after an individual begins work on the project. However, if the replacement is not approved, then the Energy Commission will not reimburse for any expenses charged for the individual. Accordingly, Recipients are strongly encouraged to obtain **advance** written approval for “key personnel” or risk not being reimbursed for their work.

Recipient must keep the CAM informed of personnel changes through monthly calls and quarterly progress reports. In addition to any other rights and remedies available to the CEC, the Energy Commission retains its authority to issue a Stop Work Order if it becomes clear that a Recipient or Subrecipient’s personnel, key or otherwise, are unable to fulfill their responsibilities under the Agreement.

Please note that the process in the Existing Terms for replacing Subrecipients and Vendors, and each tier lower of Sub-Subrecipients, may have changed. See section 7 below titled “Subrecipients and Vendors.”

#### D. Assignment of New Personnel to an Existing Job Classification

Existing Terms might require Recipients to submit a resume and other information to the CAM to approve before assigning new personnel to existing job classifications. The Existing Terms might also require an amendment, and that an amendment must be fully executed before new personnel can begin work on the agreement. This pre-approval is no longer required. Instead, Recipient will keep the CAM informed of personnel changes and provide any information requested by the CAM during monthly calls and/or quarterly progress reports. Please see section 5.A. below in the “Budgets and Payment of Funds” term for how direct labor rates will now be handled.

## E. Promotion of Existing Personnel to an Existing Job Classification

Existing Terms might require grant recipients to execute an amendment or otherwise provide information to, and obtain approval from, the CAM before promoting existing personnel to existing job classifications. None of this is required any longer. Please see section 5.A. below in the “Budgets and Payment of Funds” term for how direct labor rates will now be handled.

## 5. Budgets and Payment of Funds

### A. No More Capped Maximum Rates for Direct Labor and Fringe Benefits

Existing Terms typically state that rates in Exhibit B, Budget, for Direct Labor, Fringe Benefits, Indirect Costs, and Profit (for Subrecipients) are maximum rates and Recipients can invoice for actual expenses up to these capped, maximum rates.

Under These Terms, the rates in Exhibit B, Budget, for Direct Labor and Fringe Benefits are now treated as estimates and not capped rates. The Recipient can invoice at higher rates as long as it is only invoicing for actual expenditures it has made. However, the Recipient cannot invoice and be paid for more than the total amount in each Budget Category without an amendment (please see section 4.A. above in these terms), or for more than the total Agreement amount.

Please note this new flexibility only applies to rates for Direct Labor and Fringe Benefits. Except as otherwise provided in These Terms, restrictions on Indirect Costs and Profit in the Existing Terms still apply.

Please also note that rates listed in the budget are NOT “negotiated rates” that can be charged by a Recipient or Subrecipient – documentation must be made available upon request to show that the rates charged reflect actual costs incurred.

### B. Options for Indirect Costs

Existing Terms typically allow grant recipients to invoice and receive reimbursement for actual Indirect Costs up to the maximum amount listed in Exhibit B, Budget. Indirect Costs are subject to audit, and recipients are required to provide backup documentation upon request proving the actual amount of their Indirect Costs. These Terms provide two additional options.

The following options may be available to any Recipient who has not yet invoiced for indirect costs at the time of this amendment. These options are not available to any Recipient that has opted not to claim indirect. A Recipient may not use these options to increase a current indirect rate on which the Recipient was scored in the application process. Once a Recipient has been reimbursed for indirect costs, they may not switch among options.

## 1. De Minimis Option

Under These Terms, the Recipient can elect to invoice and receive a de minimis amount at the set rate of 10% of the Modified Total of Direct Costs (MTDC) for Indirect Costs. This cannot be combined with any other Indirect Rate option.

MTDC is defined for purposes of These Terms as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, rental costs, tuition remission, scholarships and fellowships, and the portion of each subaward in excess of \$25,000. This is the same definition used in federal grants. Keeping this the same as the federal definition should make this easy for recipients with both federal and CEC grants that elect this option.

If the Recipient chooses this de minimis option for Indirect Costs, the Recipient will not have to provide backup documentation for the de minimis amount and will not be audited on it. However, the Existing Term requirements, including for backup documentation and audits, still apply to any Indirect Costs invoiced by the Recipient and reimbursed by the CEC not utilizing the de minimis amount.

## 2. Defense Contract Audit Agency (DCAA) or other Federally Approved Indirect Rate

An entity that has a federally approved indirect rate from DCAA or another Federal agency may use the approved indirect rate for Energy Commission grants. A copy of the Federal agency's letter must be provided.

This rate will typically shift annually, and this shift is generally acceptable. This is the only Indirect Cost option that is not strictly subject to the max rate cap that typically applies to Indirect Costs. If the federal rate decreases from year to year, that will be a cost savings under this budget category. If the federal rate increases from year to year, this will require a budget reallocation. If the Energy Commission, in its sole discretion, determines that a budget reallocation to accommodate an increased Indirect Rate would risk the ultimate success of the project, or is otherwise not in its best interest, the Energy Commission reserves the right to either propose a smaller increase that would not risk the ultimate success of the project, or refuse to increase the Indirect Rate. For any increase the Energy Commission will not reimburse from CEC Funds, the Recipient or Subrecipient may choose to charge the increase as Match Funds.

If the Recipient chooses this option for Indirect Costs, the Recipient will not be audited on this budget category. However, the Existing Term requirements, including for backup documentation and audits, still apply to any Indirect Costs invoiced by the Recipient and reimbursed by the CEC not utilizing this option.

### C. Travel and Per Diem

1. Travel not listed in Exhibit B, Budget, can be added without an amendment via CAM approval. CAM approval can come in one of two forms: written authorization from the CAM prior to the Recipient taking the trip, or through the invoice review. Outside of a budget reallocation, additional travel requests are submitted using the CEC's [Travel Form](#). Recipient understands, however, that any travel taken that is not listed in Exhibit B, the Budget, or not pre-approved by the CAM in writing, is at the Recipient's own financial risk. The CAM might not approve the trip as part of invoice review. Please note that the Recipient cannot invoice and be paid for more than the total amount in the Travel Budget Category without an amendment (please see section 4.A. above in These Terms), or for more than the total Agreement amount.

2. Existing Terms explain what recipients can invoice for and be reimbursed for travel and per diem expenses. After this Agreement is amended to include These Terms, Recipients can instead invoice and be reimbursed using the rates listed on the ECAMS Resources webpage. Because the rates maintained on the ECAMS Resources webpage can change over time, the Recipient will be allowed to be reimbursed for the rates in place when the trip expenses become an Incurred Cost. The CEC shall notify the Recipient in writing by way of the Active Agreements listserve if the travel rates change. Please sign up for the Active Agreements listserve to stay informed of all updates.

#### 3. Lodging

The Recipient can invoice at standard room rates. The CEC will not reimburse for luxury accommodations.

#### 4. Airfare

The Recipient can invoice at coach rates on commercial carriers. The CEC will not pay for upgrades on flights.

#### 5. Rental Car

The Recipient can invoice for vehicles appropriate for the purpose of the travel. The CEC will not reimburse expenses for luxury vehicles.

## 6. Bus/Train

The Recipient can invoice for standard coach rates. The CEC will not reimburse for upgrades.

## 7. Per Diem

Per diem is allowable for actual costs incurred up to the total daily maximum for the following combined expenses:

- Meals
- Incidentals (i.e. tips for hotel staff and taxi/ride share drivers)
- Parking
- Tolls
- Taxi/ride share

The CEC will not reimburse any expenses under this Agreement for alcoholic beverages. In addition, the daily per diem is for the individual expenses of those traveling and working on the Agreement only. It cannot be used to pay for expenses of others (e.g., it cannot be used to buy a meal for someone else).

## D. Payment Request Format

Existing Terms may list specific items the Recipient must include in its invoices. These requirements in the Existing Terms is no longer required. Instead, the CAM will provide an invoice template, and any further modifications to it, that the Recipient shall use.

## E. Rounding

Under These Terms, the only exception to the CEC paying actual expenses is rounding to the nearest cent. Recipient, Subrecipients, and each lower-tiered level of Sub-Subrecipients shall round invoiced amounts to the nearest cent (\$0.01) using standard rounding, which is rounding down for \$0.000 through \$0.004, and rounding up for \$0.005 through \$0.009. Rounding cannot be used to exceed the amount in any Budget Category (see section 4.A. above in These Terms) or exceed the total Agreement amount.

## F. New Certification for Payment Requests

Existing Terms may require recipients to include and sign a certain certification in its payment requests. These Terms instead require the Recipient to include and sign the certification provided by the CAM in the Invoice Template. The CAM can change this certification without amending this Agreement.

## G. The CEC No Longer Must Use a Specific Dispute Notification Form to Dispute Invoices

Existing Terms may require the CEC to use a Dispute Notification Form, Std. 209 Form, or other specific form when disputing invoices. These requirements no longer apply. Under These Terms, the CEC can now dispute an invoice in any manner it chooses as long as it is provided in writing to the Recipient.

## **6. Incurred Costs**

Existing Terms may not allow recipients to be reimbursed for Incurred Costs. Accordingly, These Terms change that and allow the CEC to reimburse the Recipient for Incurred and Paid Costs that are (1) incurred during the Agreement Term; (2) invoiced within the required timeframes of this Agreement; (3) made in accordance with the Agreement's Budget; and (4) actual and allowable expenses under this Agreement.

The Recipient shall pay ALL Incurred Costs for which it has invoiced the CEC within 14 calendar days of receiving payment under this Agreement for the Incurred Costs. For example, if the Recipient invoices the CEC and then receives payment on September 15 for an Incurred Cost of \$10,000, the Recipient shall pay the entire \$10,000 by September 29. This requirement is needed to prevent Recipient from creating long lead times for Incurred Costs (e.g., invoicing and receiving payment from the CEC but not paying for the Incurred Costs for weeks or months).

The Recipient shall only invoice the CEC for Incurred Costs the Recipient will pay within 14 calendar days of receiving payment. For example, assume the Recipient has an Incurred Cost for a piece of equipment that costs \$300,000 and will pay in three installments of \$100,000 each over three months. The Recipient shall only invoice the CEC for \$100,000 each month. The Recipient shall not invoice for the entire \$300,000 and retain the balance over the three months.

For any Incurred Costs for which the Recipient received funds from the CEC and does not pay within 14 calendar days, the Recipient shall on the very next business day after the 14 calendar days submit repayment of the unpaid amount back to the CEC. Repaid funds will be placed back into the Agreement and will be available to reimburse allowable costs in accordance with this Agreement. When making a repayment under this provision, the Recipient shall specify "Repayment of Unspent Funds under Agreement [insert agreement number]." Recipient shall remit the repayment to:

California Energy Commission  
Accounting Office  
715 P Street, MS-2  
Sacramento, CA 95814

This repayment requirement of the Recipient is in addition to any other rights the CEC can enforce relative to this Agreement. Recipient agrees and acknowledges that time is of the essence in paying Incurred Costs and submitting repayments, and the CEC can treat the Recipient's breach of either requirement as a material breach. Recipient can contact the CAM for any questions about the logistics of making repayments.

## 7. Subrecipients and Vendors

Existing Terms typically only distinguish between the Recipient and any lower tier of subcontractors. But not all subcontractors are the same. Some are entrusted with significant responsibility to meet the Agreement's objectives, and others are merely suppliers of goods and services.

These Terms allow the Recipient with CAM written approval to divide subcontractors into Subrecipients and Vendors. If this distinction is not made between Subrecipients and Vendors, all entities currently deemed subcontractors will be treated as Subrecipients.

A Subrecipient is defined as a person or entity that receives grant funds directly from the Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the grant's activities. A Subrecipient's role involves discretion over grant activities and is not merely just selling goods or services.

Characteristics which support the classification of the entity as a subrecipient include when the entity:

- (1) Has its performance measured in relation to whether objectives of a CEC program were met;
- (2) Has responsibility for programmatic decision-making;
- (3) Is responsible for adherence to applicable CEC program requirements specified in the CEC award agreement;
- (4) In accordance with its agreement, uses the CEC funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the recipient or subrecipient; or,
- (5) Provides match share funding contributions to the CEC-funded project.

A Sub-Subrecipient has the same meaning as a Subrecipient except that it receives grant funds from a Subrecipient. There can also be further levels below of Sub-Subrecipients.

A Vendor is defined as a person or entity that sells goods or services to the Recipient, Subrecipient, or any lower-tiered level of Sub-Subrecipient, in exchange for some of the grant funds, and does not make decisions about how to perform the Agreement's activities. The Vendor's role is ministerial and does not involve discretion over Agreement activities. A vendor is an entity selected through a competitive process or is otherwise providing a product or service at a fair and reasonable price. Characteristics indicative of a procurement relationship between the Recipient, Subrecipient, and any lower-tiered level of Sub-Subrecipient and a Vendor are when the Vendor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;

- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the CEC program; and
- (5) may not be subject to compliance with all of the requirements of the CEC program as a result of the agreement, though similar requirements may apply for other reasons.

#### A. Subrecipient and Sub-Subrecipient Flow-Down Terms

For Recipient's agreements with Subrecipients, the Recipient shall follow any flow-down requirements in the Existing Terms for subcontractors, except the Recipient does not need to include the following terms if they are not applicable to a given Subrecipient:

1. The Legal Statements on Products term does not have to be included if the Subrecipient will not generate any Products.
2. The Travel and Per Diem term does not have to be included if the Subrecipient will not be reimbursed for travel with CEC funds.
3. The Equipment term does not have to be included if the Subrecipient will not be reimbursed for equipment with CEC funds.
4. The Confidential Recipient Information term does not have to be included if the Subrecipient will not have access to or generate Confidential Receipt Information as defined in Section 24.

#### B. Vendor Requirements

The flow-down requirements in the Existing Terms either come from the CEC or the law. Recipient does not have to include any CEC-created requirements in agreements with its Vendors unless it is necessary for the Recipient to meet its obligations to the CEC under the Agreement. But the Recipient is still required to make sure the Vendor complies with all applicable laws. For example, the Recipient still must ensure any Vendor complies with applicable Public Work Requirements, including the payment of prevailing wage, and also with the Nondiscrimination clause. These are requirements under the law.

The Recipient does not have to include in its Vendor agreements CEC-created terms, such as Equipment, Confidential Recipient Information, Travel and Per Diem, Retention of Records, and Audits, if the Recipient does not need them to fulfill its obligations to the CEC. An example where the Recipient might need to include a CEC-created term in a Vendor agreement is intellectual property. The Recipient must ensure the CEC has the intellectual property rights required under this Agreement. If a Vendor creates intellectual property that the Recipient provides to the CEC as part of the Agreement, the Recipient shall ensure its Vendor agreement secures the appropriate rights. Another example is the receipt of confidential information of personal information. If a vendor will

have access to confidential information of personal information provided by the Energy Commission or a third-party for the performance of this Agreement, the Recipient must ensure its agreement with the vendor includes the Energy Commission's special terms and conditions for the receipt of confidential information and personal information before the vendor has access to any such information.

### C. Replacing Subrecipients or Vendors

Under These Terms, all changes to Subrecipients and Vendors require advance written approval by at least the Commission Agreement Manager. A higher level of approval may be required based upon Energy Commission policy. Required approvals are included in the "Changes to Grants - Level of Approval and Notification Chart" commonly referred to as the "Changes Chart."

These Terms clarify that Recipients may be reimbursed for actual expenses incurred by a new **Vendor** during the term of the Agreement, even if written approval comes after the entity has completed work on the project. However, if the new Vendor is not approved, then the Energy Commission will not reimburse for any expenses charged for the entity. Accordingly, Recipients are strongly encouraged to obtain **advance** written approval for new Vendors or risk not being reimbursed for their work.

However, any work completed by an entity that may replace an existing **Subrecipient** WILL NOT BE REIMBURSED for any work completed prior to advance written approval. If a Subrecipient expends funds prior to approval, they can only be claimed as Match Funds.

## 8. Match Fund Timing

Existing Terms typically require recipients to proportionally spend match funds concurrently or in advance of CEC funds. But this timing does not always work, especially if the CEC funds are used for expensive equipment early in the project.

These Terms allow a CAM, in writing and with Supervisor approval, to authorize a Recipient to spend CEC funds in advance of Match Funds pursuant to [Match Fund Spending Plan](#). The Plan must estimate how Match Funds and CEC funds will be spent over each quarter and briefly explain why it is not practical to spend Match Funds concurrent with CEC Funds. While These Terms allow additional flexibility, the Recipient agrees to spend the agreed match funds as soon as practicable during the Agreement in order to resume proportionality between CEC funds and Match funds spent.

## EXHIBIT D Contact List

<p><b>Commission Agreement Manager:</b> <i>(Progress Reports and Non-Confidential Products may be emailed to the CAM or uploaded into ECAMS with Invoice.)</i> Marc Perry California Energy Commission 715 P Street, MS-27 Sacramento, CA 95814 Phone: (916) 931-9424 e-mail: <a href="mailto:marc.perry@energy.ca.gov">marc.perry@energy.ca.gov</a></p>	<p><b>Recipient Project Manager:</b>  Jan Rybka San Francisco Bay Area Water Emergency Transportation Authority Pier 9, Suite 111 San Francisco, CA 94111 Phone: (510) 847-4461 e-mail: <a href="mailto:rybka@watertransit.org">rybka@watertransit.org</a></p>
<p><b>Commission Agreement Officer:</b>  Laura Williams California Energy Commission Contracts, Grants and Loans Office 715 P Street, MS-18 Sacramento, CA 95814 Phone: (916) 879-1383 e-mail: <a href="mailto:laura.williams@energy.ca.gov">laura.williams@energy.ca.gov</a></p>	<p><b>Recipient Administrator:</b>  Joseph Ramey San Francisco Bay Area Water Emergency Transportation Authority Pier 9, Suite 111 San Francisco, CA 94111 Phone: (510) 725-2163 e-mail: <a href="mailto:ramey@watertransit.org">ramey@watertransit.org</a></p>
<p><b>Invoices:</b>  Please submit electronic invoices in ECAMS:  <a href="https://ecams.energy.ca.gov/s/login/">https://ecams.energy.ca.gov/s/login/</a></p>	<p><b>Accounting Officer:</b>  Jennifer Raupach San Francisco Bay Area Water Emergency Transportation Authority Pier 9, Suite 111 San Francisco, CA 94111 Phone: (510) 213-4898 e-mail: <a href="mailto:raupach@watertransit.org">raupach@watertransit.org</a></p>
<p><b>Commission Legal Notices:</b>  Tatyana Yakshina Grants Manager California Energy Commission 715 P Street, MS-18 Sacramento, CA 95814 Phone: (916) 827-9294 e-mail: <a href="mailto:tatyana.yakshina@energy.ca.gov">tatyana.yakshina@energy.ca.gov</a></p>	<p><b>Legal Notices:</b>  Seamus Murphy San Francisco Bay Area Water Emergency Transportation Authority Pier 9, Suite 111 San Francisco, CA 94111 Phone: (415) 596-3823 e-mail: <a href="mailto:murphy@watertransit.org">murphy@watertransit.org</a></p>

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2024-53**

**AUTHORIZE EXECUTION OF A FUNDING AGREEMENT WITH THE CALIFORNIA ENERGY COMMISSION FOR \$4,999,94 IN CLEAN TRANSPORTATION PROGRAM FUNDS**

**WHEREAS**, the California Energy Commission (CEC) administers the Clean Transportation Program for projects that help achieve California’s climate change policies that reduce greenhouse gas emissions from the transportation sector; and

**WHEREAS**, in August, 2024, the CEC awarded SF Bay Ferry a grant for \$4,999,994 to support the construction of a fully-functional electrified float and battery energy storage system at the Harbor Bay Ferry Terminal; and

**WHEREAS**, the grant is achieved by way of a funding agreement which SF Bay Ferry staff and legal counsel have carefully reviewed and believe is acceptable and necessary for SF Bay Ferry to receive funding from the CEC; and

**WHEREAS**, the Executive Director recommends the Board authorize the execution of the Funding Agreement with the CEC to support the funding for the construction of a fully-functional electrified float and battery energy storage system at the Harbor Bay Ferry Terminal; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby authorizes the Executive Director to execute a Funding Agreement with the CEC to support the funding of the construction of a fully-functional electrified float and battery energy storage system at the Harbor Bay Ferry Terminal.

**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 December 12, 2024.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2024-53

\*\*\*END\*\*\*

MEMORANDUM

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**TO: Board Members**

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

**SUBJECT: Receive the Independent Auditor's Reports for the Fiscal Year Ending  
June 30, 2024**

**Recommendation**

Receive WETA's Annual Financial Reports for the fiscal year ending June 30, 2024, as audited and prepared by Maze & Associates, consisting of the following documents:

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

**Background**

Section 106.6 of the Administrative Code requires the preparation of annual audited financial reports by an independent auditor consistent with California Government Code Section 66540.54. The Board authorized a contract with Maze & Associates (Maze), through a competitive procurement process, to perform this independent audit work. Maze's work preparing these statements included a two-phased review: a detailed review in early summer, and a final review and statement preparation in the fall. Maze reviewed staff-prepared financial summaries, supporting documentation, pension and other actuarial reports, bank reconciliations and other financial documents that control how financial transactions are handled. Numerous hours are spent to ensure that the statements are an accurate and fair representation of WETA's financial position following Government Accountability Standards Board guidance for the elements contained within the reports.

**Discussion**

The reports for the fiscal year ending June 30, 2024 issued by Maze and provided for Board review, are comprised of the following:

**Memorandum on Internal Control and Required Communications**

The Memorandum on Internal Control and Required Communications, provided as **Attachment A**, communicates information regarding the auditor's responsibilities under generally accepted auditing standards, describes new requirements implemented during this year's work, provides an overview of the scope of the audit, and any concerns that arose during their audit work. In accordance with *Government Auditing Standards*, the independent auditors are required to communicate significant findings and issues related to an audit. Maze stated that it encountered no significant difficulties in dealing with management in performing and completing the audit and that there were no disagreements with management on financial accounting, reporting, or auditing matters.

### Basic Financial Statements

The Basic Financial Statements are provided as **Attachment B** to this report. These statements include an Independent Auditor's Report, the Management Discussion and Analysis, Basic Financial Statements and Required Supplementary Information for the year ending June 30, 2024. As a reminder, these statements include adjustments that are not cash transactions but reflect GASB guidance on how to present financial information such as actuarially determined pension expense related to current employees or depreciation expense related to capital assets. The Independent Auditor's Reports (pages 1 and 57 of the attachment) provides their opinion that WETA's basic financial statements present fairly in all material respects the respective financial position of the business-type activities of the agency as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

A summary review of the financial information is provided in the Management Discussion and Analysis (MDA) prior to the statements and notes. This shows a few important financial facts. First, WETA's net position – which is essentially the amount that assets exceed liabilities – was \$486 million at June 30, 2024, a 2.75% increase from the prior fiscal year.

The report also reflects the positive change in operating revenues (primarily fare revenue) from the prior year, from \$10.9 million to \$12.9 million due to the continuing return of ridership to the ferry. It also shows the continued importance of operating support from sources other than fares, which increased over the year from \$44.6 to \$48 million, consisting primarily of RM2, RM3, Measure J, and State Transit Assistance.

Operating expenses as shown in the MDA are \$60.7 million, an increase of \$5 million over the prior year. This figure excludes depreciation and other financial statement-required adjustments to provide the public a view of expense comparable to annual revenue available for operations. As discussed during budget presentations, most of the cost increase from the prior year was due to increases in labor rates, operating staffing levels, and the effects of inflation on contracted materials and supplies. The Statement of Activities on page 13, however, shows operating expenses as required for financial statement purposes which include non-cash adjustments such as depreciation and pension liabilities resulting in an expense of \$77.2 million. Capital expenses for the year were \$30.3 million, an amount that is added to WETA's capital assets which total \$457 million (net of depreciation).

The statements include detailed information explaining pension expense and liabilities for WETA's participation in the CalPERS retirement system. It also includes financial information regarding the funding of future retiree benefits related to WETA's longevity plan and retiree health. Each are detailed in Notes 9 (Pension Plan) and 10 (Post Employment Health Care Benefit). There are three trust funds set up for the purpose of funding these "other pension liabilities" (known colloquially as OPEB costs). One trust fund is held at CalPERS for WETA's liability for monthly retiree health costs. Two other trust funds, created in Fiscal Year 2020/21, address longevity plan-related liabilities. Staff actively reviews actuarial assumptions and investment performance and provides the required contributions to each plan to ensure that these retiree costs are planned for well in advance. As a result of these efforts and the effects of lower than projected expenses, net pension liabilities were positive at year end (and therefore an asset rather than a liability).

**Measure B and Measure BB Fund Financial Statements**

The Measure B and Measure BB Fund Financial Statements, provided as **Attachment C** and **Attachment D**, respectively, are required for the receipt of Alameda County Measures B and

BB funds. These reports include the necessary financial statements for those funds and a compliance opinion with respect to requirements related to these funds as specified in the Master Programs Funding Agreements between WETA and the Alameda County Transportation Commission. WETA expended \$2,450,284 in Measure B funding and \$1,252,762 from Measure BB. Projects supported include the Main Street Terminal Rehabilitation project and the replacement vessel for the MV Bay Breeze. The statements conclude with an Auditors opinion that WETA complied with the laws and regulations, contracts, and grant requirements related to Measure B and Measure BB funds for the year ended June 30, 2024.

**Single Audit Report**

The Single Audit Report, provided as **Attachment E**, is a required financial report for an entity that expends \$750,000 or more in federal funds in a single year. This report includes a schedule of expenditures of federal awards and a report on internal controls and compliance related to the federal expenditures.

WETA expended \$39.7 million in federal funds during Fiscal Year 2024 as listed on page 3 of the report. Of that total, \$23.2 million was expended under COVID emergency operating funding tied to operating costs. The remaining federal funds include \$8.6 million in FTA 5337 formula funding - the State of Good repair program - for vessel and terminal maintenance projects. The remaining funds include both competitive and formula funding through FTA and FHWA for vessel and electrification projects.

Maze has audited WETA compliance with respect to the types of requirements described in *OMB Compliance Supplement* that are applicable to each of the major federal programs providing funding. On page 7, Maze reports that during the audit they “did not identify any deficiencies in internal control that we consider to be material weaknesses.” As in prior years, Maze reports that, in their opinion, “the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.”

Vikki Rodriguez, partner at Maze & Associates, will be in attendance (virtually) at the meeting to provide an overview and answer any questions related to the audit reports.

**Fiscal Impact**

There is no fiscal impact associated with the receipt of these audit reports.

**Attachment A** – Memorandum on Internal Control and Required Communications

**Attachment B** – Basic Financial Statements

**Attachment C** – Measure B Fund Statement

**Attachment D** – Measure BB Fund Statement

**Attachment E** – Single Audit Report

\*\*\*END\*\*\*

## MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

In planning and performing our audit of the basic financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards*, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
November 21, 2024

**SAN FRANCISCO  
BAY AREA WATER EMERGENCY  
TRANSPORTATION AUTHORITY  
REQUIRED COMMUNICATIONS  
FOR THE YEAR ENDED  
JUNE 30, 2024**

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**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION  
AUTHORITY**

**REQUIRED COMMUNICATIONS**

**For The Year Ended June 30, 2024**

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## REQUIRED COMMUNICATIONS

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

We have audited the basic financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

*Accounting Policies* – Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the San Francisco Bay Area Water Emergency Transportation Authority (Authority) are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as follows:

#### ***GASB 100 – Accounting for Changes and Error Corrections***

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The pronouncement became effective but did not have a material effect on the financial statements.

*Unusual Transactions, Controversial or Emerging Areas* – We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting Estimates* – Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Authority’s financial statements (were):

*Estimated Fair Value of Investments:* As of June 30, 2024, the Authority held approximately \$23 million of cash and investments as measured by fair value as disclosed in Note 3 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2024. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2024.

*Disclosures* – The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the Authority's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Governing Board.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated November 21, 2024.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

\*\*\*\*\*

This information is intended solely for the use of the Governing Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mazze & Associates*

Pleasant Hill, California  
November 21, 2024

**SAN FRANCISCO  
BAY AREA WATER EMERGENCY  
TRANSPORTATION AUTHORITY**

**BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statement of the business-type activities of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Pleasant Hill, California  
November 21, 2024

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## MANAGEMENT’S DISCUSSION AND ANALYSIS

The following Management’s Discussion and Analysis (MD&A) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority) activities and financial performance introduces the financial statements of the Authority for the fiscal year ended June 30, 2024. The information presented herein should be considered in conjunction with the accompanying financial statements and notes.

### BASIC FINANCIAL STATEMENTS

The Basic Financial Statements required under Governmental Accounting Standards Board (GASB) Statement 34 include:

Statement of Net Position—presents the financial position of the Authority, including assets, deferred outflows, liabilities, deferred inflows, and net position. The difference between this statement and the traditional Balance Sheet is that net position (fund equity) is shown as the difference between total assets and total liabilities.

Statement of Activities—presents revenues, expenses, and changes in net position for the fiscal year. It differs from the traditional Statement of Revenues and Expenses in that revenues and expenses directly attributable to operating programs are presented separately from investment income and financing costs.

Statement of Cash Flows—provides itemized categories of cash flows. This statement differs from the traditional Statement of Cash Flows in that it presents itemized categories of cash inflows and outflows instead of computing the net cash flows from operation by backing out non-cash revenues and expenses from net operating income. In addition, cash flows related to investments and financing activities are presented separately.

## ORGANIZATION DESCRIPTION AND OPERATIONS

The California State legislature created the Water Transit Authority (WTA) in 1999, a new regional agency mandated to create a long-term plan for new and expanded water transit and related services on the San Francisco Bay. On January 1, 2008, a new state law dissolved the WTA and replaced it with the San Francisco Bay Area Water Emergency Transportation Authority (Authority). This regional transportation agency is responsible for consolidating and operating public ferry services in the Bay Area, planning new service routes, and coordinating ferry transportation response to emergencies or disasters affecting the Bay Area transportation system. The Authority operates ferry service under the brand San Francisco Bay Ferry.

The Authority's Board of Directors (Board) adopted the following Mission Statement for the organization:

*The San Francisco Bay Area Water Emergency Transportation Authority (Authority) is a regional agency with responsibility to develop and operate a comprehensive water transportation system for the Bay Area. The Authority shall also coordinate water transportation services in response to natural disasters and transportation disruptions.*

At the same time, the Authority Board approved the following Vision Statement for how the Authority would pursue its Mission:

*The San Francisco Bay Area Water Emergency Transportation Authority develops, operates, and manages an expanded and enhanced region-wide ferry system that provides a reliable, state-of-the-art and attractive transportation option for the Bay Area and plays a critical role in coordinating and providing water transportation to serve emergency response and economic recovery needs.*

Taken together, the Mission and Vision Statements describe and characterize the Authority's multiple functional roles in the regional transportation network. The San Francisco Bay Ferry public transportation system is responsible for carrying 2.4 million passengers annually utilizing a fleet of 17 high speed passenger-only ferry vessels. San Francisco Bay Ferry currently serves the cities of Alameda, Oakland, Richmond, San Francisco, South San Francisco, and Vallejo.

## FINANCIAL POSITION SUMMARY

Total net position may serve as a useful indicator of the Authority's financial position when taking all assets and liabilities into account. The Authority's assets and deferred outflows exceeded its liabilities and deferred inflows by \$486 million on June 30, 2024, a 2.75% increase from June 30, 2023.

The chart below summarizes the Authority's net position as of June 30, 2024, and compares assets and liability categories to the prior year. A discussion of some of the most significant balances follows the chart.

### Change in Net Position (in thousands)

	2024	2023
<b>Assets:</b>		
Current and other assets	\$43,108	\$43,963
Capital assets	456,980	443,235
Total assets	<u>\$500,089</u>	<u>\$487,198</u>
<b>Deferred Outflows of Resources:</b>	<u>\$1,325</u>	<u>\$1,622</u>
<b>Liabilities:</b>		
Current liabilities	\$9,508	\$8,451
Unearned/deferred revenue	3,380	4,621
Other noncurrent liabilities	1,279	1,612
Total liabilities	<u>\$14,167</u>	<u>\$14,684</u>
<b>Deferred Inflows of Resources:</b>	<u>\$1,065</u>	<u>\$974</u>
<b>Net Position:</b>		
Net investment in capital assets	\$456,980	\$443,235
Restricted	13,119	13,995
Unrestricted	16,082	15,933
Total net position	<u>\$486,181</u>	<u>\$473,162</u>

The Authority's assets and deferred outflows totaled \$501 million on June 30, 2024, consisting of \$43 million in current assets such as cash and receivables, \$457 million in capital assets, and \$1.3 million in pension and other post-employment benefits (OPEB)-related deferred outflows.

Year-end changes in Deferred Outflows and Inflows of Resources are related to investment gains in funds set up to pay longevity stipends and other retirement liabilities. Current liabilities increased due to the timing of year end pending invoices on June 30<sup>th</sup>. These liabilities are generally resolved in the weeks following the close of the fiscal year.

The largest portion of the Authority's net position (94%) represents its investment in capital assets (i.e., ferries, terminals, improvements, and equipment). These capital assets are used to provide services to passengers on the Bay Ferry system. Increases in capital assets (3%) are the result of

the combination of depreciation (which decreases values) and additional assets due to completion of capital projects during the year (which increases value). Further discussion of capital assets is provided below.

Within the Authority's net position, restricted assets represent resources that are subject to external restrictions imposed by grantors and contributors. These assets decreased by 6% during the year. The remaining unrestricted net position, \$16.1 million, is unencumbered and may be used to meet future obligations.

## Notes to the Basic Financial Statements

The notes to the basic financial statements, which follow the statements themselves in this document, provide additional information that is essential to a full understanding of the financial data provided in the financial statements. They include further description of important elements of the Authority's financial statements and implementation of new accounting standards as required by the GASB. Over the past several years, the Authority has implemented a number of new GASB statements related to employee pension and other post-employment benefits, referred to as OPEB. Those statements have resulted in significant pension and OPEB information reflected in the statements and notes and in the Authority's decision to create trust funds to address those obligations.

## FISCAL YEAR 2024 FINANCIAL HIGHLIGHTS

The following table summarizes the Statement of Activities and the change in Net Position of governmental activities, for the year ended June 30, 2024, as compared to June 30, 2023:

### Statement of Activities and Changes In Net Position

(in thousands)

	<b>2024</b>	<b>2023</b>	<b>Favorable/ (Unfavorable) Change From 2023</b>
Operating revenues	\$12,904	\$10,918	\$1,986
Operating expenses	(60,710)	(58,738)	(1,973)
Loss before depreciation and other non-operating revenues and expenses	(47,807)	(47,820)	13
Depreciation	(16,524)	(16,547)	23
Operating loss	(64,330)	(64,367)	36
Other non-operating revenues and expenses, net	48,257	44,905	3,352
Loss before capital contribution	(16,073)	(19,462)	3,389
Capital contributions	29,091	18,671	10,421
Change in Net Position	13,018	(791)	13,809
Net Position, beginning	473,162	473,954	(791)
Net Position, ending	\$486,181	\$473,162	\$13,019

Operating revenue and expense are further discussed below. The operating loss shown reflects government accounting standards which only allow fare revenue and limited other sources to be characterized as operating revenue. Operating support, such as the Authority's Bridge Toll funding or State Transit Assistance, is classified as "non-operating revenues," despite being used

to fund operational activities. The result is that most transit operating financial statements reflect an operating loss.

## Revenues

A summary of revenues for the year ended June 30, 2024, and the amount of change in relation to prior year amounts (in thousands) is as follows:

	<u>2024</u>	<u>2023</u>	<b>Increase/ (Decrease) From 2023</b>
<b>Operating Revenues:</b>			
Alameda Harbor Bay Ferry Service	\$1,036	\$757	\$279
Alameda / Oakland Ferry Service	3,154	2,867	287
Vallejo Ferry Service	5,721	5,032	690
South San Francisco Ferry Service	399	260	138
Richmond Ferry Service	1,139	909	230
Seaplane Lagoon	1,455	1,094	362
Total operating revenues	<u>\$12,904</u>	<u>\$10,918</u>	<u>\$1,986</u>
<b>Non-operating Revenues:</b>			
Operating assistance	\$48,005	\$44,648	\$3,357
Investment / Interest Income	253	257	(4)
Total non-operating revenues	<u>\$48,257</u>	<u>\$44,905</u>	<u>\$3,352</u>
<b>Capital contributions:</b>	29,091	18,671	10,421
<b>Total Revenues</b>	<u>\$90,252</u>	<u>\$74,493</u>	<u>\$15,759</u>

- Revenue generated from operations (farebox revenue) increased in 2024 by \$1.9 million or 18% from the prior year as the Authority experienced continued return to ridership following pandemic reductions.
- Non-operating revenues (operating support) increased by \$3.3 million or 7%. This increased reliance on transit assistance was attributed to continued absorption of inflationary pressures driving up costs such as fuel and labor.
- Capital grants and contributions from Federal, State, and Local governments increased by \$10.4 million, or 56% attributed primarily to increased capital activities on ferry and terminal projects.

## Expenses

The chart below shows a summary of expenses for the year ended June 30, 2024 by category related to the Bay Ferry service and management of that service. It also shows the change in relation to prior year amounts (in thousands). The chart excludes depreciation and other financial statement-required adjustments in order to provide a table that is comparable to the revenue table.

	2024	2023	Increase/ (Decrease) From 2023
<b>Operating Expenses:</b>			
Alameda Harbor Bay Ferry Service	\$ 5,110	\$ 4,462	\$ 649
Alameda / Oakland Ferry Service	12,174	12,130	44
Vallejo Ferry Service	19,094	18,961	133
South San Francisco Ferry Service	4,807	3,727	1,079
Richmon Ferry Service	9,225	8,109	1,116
Seaplane Lagoon Ferry Service	6,345	5,404	941
Hydrogen Demonstration Project	922	196	726
Alameda Oakland Demonstration	68	-	68
Planning & Administration	2,967	2,567	400
<b>Total Operating Expenses</b>	<b>\$ 60,710</b>	<b>\$ 55,556</b>	<b>\$ 5,155</b>

Total operating expenses, before depreciation, increased by \$5.2 million, or 9%, over the prior year as a result of the addition of two operating demonstrations, continued increases in labor and materials, and the addition of ferry operating and administrative staff in the budget.

## CAPITAL INVESTMENT ACTIVITIES

During the year ending June 30, 2024, the Authority expended \$30.3 million on capital activities. (See Note 4 for further information.) This included the following notable project expenses:

- New High-Speed Expansion Vessels - \$3.6 million
- Purchase/Construct Two Replacement Vessels - \$9.7 million
- Main Street Terminal Rehabilitation - \$8.0 million
- New Electric Infrastructure and Vessels - \$1.4 million
- Vallejo Ferry Terminal Dredging and Reconfiguration - \$2.6 million
- Vessel Engine and Component Overhauls - \$4 million

## PROGRAM INITIATIVES AND OUTLOOK

In 2024 the Authority's program saw continued ridership growth following the severe impacts of the pandemic. At the close of the Fiscal Year ferry ridership had increased 19% over the prior fiscal year to more than 2.4 million riders. While other systems are still seeing ridership below 50% of pre-pandemic levels, the Authority has reached over 80% of its pre-pandemic ridership.

The outlook for the coming year includes planning, administration, and capital development efforts that will focus on:

- **Zero Emission Ferry Service Development** – In addition to supporting the Authority's ongoing fleet construction and rehabilitation program, staff have begun to implement capital programs that will invest in six new electric vessels and related charging infrastructure. The Authority has successfully leveraged access to \$300 million in RM3 capital investment funding to secure over \$156 million in discretionary funding for electrification of existing and new ferry service.

- **Demonstration Projects** – In response to new commute and ridership patterns, the Authority has begun to implement short-term demonstration projects to test new technology and new services designed to increase ridership. These include: a public-private partnership featuring the world’s first commercial passenger-only ferry powered 100% by hydrogen fuel cells and a public-private partnership in Alameda to operate high-frequency service across the Oakland Estuary. Both demonstration projects are free to riders.
- **Operations Budget Planning:** While other regional transit agencies face significant near-term fiscal challenges, the Authority’s access to newly released RM3 Bridge Toll operating support provides a continued ability to deliver robust ferry service to the Bay Area. RM3 support essentially replaces expiring federal funding which was exhausted at the end of FY 2024. In July of 2024, the Board of Directors reviewed and approved a Five-Year Operating Plan that projects all operating expense and revenue sources in the coming years and illustrates the importance of RM3 to support ferry operations.
- **Business Plan:** The Authority will continue to develop its long-term business plan to guide the development and operation of the Bay Ferry system over the next 25 years. This project is supported through outreach to a broad range of interest groups. In May 2024, the Board adopted the 2050 Service Vision and Expansion Policy, defining the types of services SF Bay Ferry intends to provide in the future and the criteria for advancing individual projects. The business plan will also include a comprehensive implementation and financial plan laying forth a roadmap for delivery of the Service Vision adopted by the Board in 2025.
- **Passenger Experience** – At the close of 2024, the Authority had procured a vendor to redesign and launch a new SF Bay Ferry website and onboard information system by the end of 2024. The agency will also work to address the findings of its first market research report in several years to continue to rebuild the system’s ridership. Rider satisfaction with the service is high, with recent onboard ridership survey results showing that an industry-leading 98% of riders are satisfied with their experience.
- **Emergency Response Program and Training** – The Authority will continue to focus on its mission to be a critical piece of the region’s emergency response efforts. After the end of the fiscal year, the Authority was on course to expand its staff to enhance local emergency preparedness exercises, participate in regional and state-level emergency exercises, attend meetings and planning discussions, and strengthen internal training efforts.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide citizens, taxpayers, creditors and interested parties with a general overview of the Authority’s finances. Questions or additional information about these statements should be directed to San Francisco Bay Area Water Emergency Transportation Authority, at Pier 9, Suite 111, San Francisco, CA 94111.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2024

ASSETS

Current Assets	
Cash and cash equivalents (Note 3)	\$23,000,485
Receivables:	
Accounts	11,936,331
Interest	218,790
Security deposit	76,432
Inventory	93,215
Prepaid expenses	<u>7,232,275</u>
Total Current Assets	<u>42,557,528</u>
Noncurrent Assets	
Net Pension Asset (Note 9)	97,369
Net OPEB Asset (Note 10)	453,591
Capital assets, net of accumulated depreciation (Note 4):	
Construction in progress	55,574,721
Depreciable capital assets, net	
Ferries	152,272,982
Terminal development rights	2,661,864
Floats, piers and gangways	7,606,237
Ferry terminal and facilities	238,658,412
Equipment and service vehicles	<u>205,821</u>
Total Capital Assets, net	<u>456,980,037</u>
Total Noncurrent Assets	<u>457,530,997</u>
Total Assets	<u>500,088,525</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to pensions (Note 9)	1,278,359
Related to OPEB (Note 10)	<u>46,549</u>
Total Deferred Outflows of Resources	<u>1,324,908</u>

LIABILITIES

Current Liabilities	
Accounts payable	8,228,758
Other accrued liabilities	1,134,716
Unearned revenue - fares	
Compensated absences (Note 2C)	<u>144,896</u>
Total Current Liabilities	<u>9,508,370</u>
Noncurrent Liabilities	
Compensated absences (Note 2C)	233,557
Collective net pension liability (Note 9)	1,045,205
Unearned revenue - State Appropriation (Note 5A)	1,140,427
Unearned revenue - Prop 1B (Note 5C)	101
Unearned revenue - STA (Note 5F)	291,506
Unearned revenue - STA-SGR (Note 5G)	1,164,762
Unearned revenue - LCTOP (Note 5H)	<u>783,325</u>
Total Noncurrent Liabilities	<u>4,658,883</u>
Total Liabilities	<u>14,167,253</u>

DEFERRED INFLOWS OF RESOURCES

Related to pensions (Note 9)	782,506
Related to OPEB (Note 10)	<u>282,657</u>
Total Deferred Inflows of Resources	<u>1,065,163</u>

NET POSITION (Note 8)

Net investment in capital assets	456,980,037
Restricted	13,118,725
Unrestricted	<u>16,082,255</u>
Total Net Position	<u>\$486,181,017</u>

See accompanying notes to financial statements

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

OPERATING REVENUES

Farebox revenue	\$12,874,614
Other revenue	29,267
	<u>12,903,881</u>
Total Operating Revenues	<u>12,903,881</u>

PROGRAM OPERATING EXPENSES

Personnel costs	4,304,028
Operating/Administrative expenses	17,688,393
Legal and consulting	2,102,625
Purchased transportation	33,896,010
Insurance premiums	2,719,315
Depreciation (Note 4)	16,523,727
	<u>77,234,098</u>
Total Program Operating Expenses	<u>77,234,098</u>

OPERATING LOSS (64,330,217)

NON-OPERATING REVENUES (EXPENSE)

Metropolitan Transportation Commission	17,065,945
State of California	2,946,748
Federal Transit Administration	23,240,684
Contra Costa Transportation Authority	3,761,720
Local operating assistance - other	989,539
Interest/Investment earnings	252,848
	<u>48,257,484</u>
Total Non-operating Revenues	<u>48,257,484</u>

CAPITAL GRANTS AND CONTRIBUTIONS 52,331,984

State of California	3,402,214
Federal Transit Administration	16,779,146
Alameda County Transportation Commission	2,148,012
City of Alameda	679,147
Metropolitan Transportation Commission	6,082,781
	<u>29,091,300</u>
Total Capital Grants and Contributions	<u>29,091,300</u>

CHANGE IN NET POSITION 13,018,567

NET POSITION - BEGINNING 473,162,450

NET POSITION - ENDING \$486,181,017

See accompanying notes to financial statements

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$12,886,596
Payments to vendors and consultants	(56,481,774)
Payments to or on behalf of employees	<u>(4,314,199)</u>
Net cash flows from (used for) operating activities	<u>(47,909,377)</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES

Intergovernmental collections	<u>55,822,777</u>
Net cash flows from noncapital and related financing activities	<u>55,822,777</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grant receipts used for capital activities	27,849,926
Payments for capital assets	<u>(30,268,695)</u>
Net cash flows from (used for) capital and related financing activities	<u>(2,418,769)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest receipts	<u>149,546</u>
Net cash flows from (used for) investing activities	<u>149,546</u>

Net cash flows	5,644,177
Cash and cash equivalents- beginning of year	<u>17,356,308</u>
Cash and cash equivalents - end of year	<u><u>\$23,000,485</u></u>

Reconciliation of operating loss to net cash flows from operating activities:

Operating loss	(\$64,330,217)
Depreciation	16,523,727
Change in assets and liabilities:	
Prepaid expenses	(1,093,456)
Net OPEB asset	(25,278)
Accounts payable	833,622
Other accrued liabilities	209,681
Unearned fares	(17,285)
Compensated absences	55,198
Net Pension liability (asset)	(453,723)
Deferred outflows/inflows	<u>388,354</u>

Net cash flows used for operating activities	<u><u>(\$47,909,377)</u></u>
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See accompanying notes to financial statements

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 1 – REPORTING ENTITY**

The San Francisco Bay Area Water Emergency Transportation Authority (Authority) is the regional water transportation planning and operating agency for the San Francisco Bay Area. The Authority was created by the State Legislature to plan, manage, and operate new and existing ferry services and coordinate the emergency activities of all water transportation and related facilities within the Bay Area. The Authority currently manages ferry services between San Francisco, South San Francisco, Vallejo, Richmond, Oakland and Alameda.

The Authority is governed by a Board of Directors comprised of appointees from the Governor of California, the State Assembly, and the State Senate Subcommittee on Rules. The Board, consisting of 5 members, is responsible for general policy of the Authority, reviewing and approving the annual budget and financial statements, approving future contractual agreements with vendors, and appointment of the Executive Director.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Authority conform with generally accepted accounting principles applicable to governments. The following is a summary of the significant policies:

**A. Basis of Presentation**

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities display information about the primary entity (the Authority). These statements include the financial activities of the overall Authority. Eliminations have been made to minimize the double counting of internal activities. These statements display the *business-type activities* of the Authority. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Authority's business-type activities. Program Operating Expenses are those that are specifically associated with a program or function. Nonoperating Revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as Nonoperating Revenues are presented as Operating Revenues.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting**

The Authority uses an enterprise fund format to report its activities for financial statement purposes. The Authority’s financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Grant reimbursements are recognized in the period the grant expenditures are made. Expenditures in excess of reimbursement are recorded as receivables if allowable under the grant, while excess reimbursements are recorded as deferred revenues.

**C. Compensated Absences**

Compensated absences comprise vacations and administration leave and are recorded as an expense when earned. The accrued liability for unused compensated absences is computed using current employee pay rates. Sick pay does not vest and is not accrued.

The changes in compensated absences were as follows:

Balance at June 30, 2023	\$323,255
Additions	290,327
Payments	<u>(235,129)</u>
Balance at June 30, 2024	<u>\$378,453</u>
Due within one year	<u>\$144,896</u>
Due in more than one year	<u>\$233,557</u>

**D. Estimates**

The Authority’s management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and the disclosure of contingent liabilities to prepare these financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Actual results could differ from those estimates.

**E. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**F. *Lease***

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

The Authority's policy sets a lease amortization threshold based on 1% of the Authority's total annual assets for lease contracts to be recorded under the GASB 87. Any lease with a present value at inception less than 1% of the Authority's total annual assets will be deemed immaterial in relation to the financial statements as a whole and, thereby excluded from an amortization schedule.

As of June 30, 2024, the Authority does not have any leases that qualify above this threshold. See Note 6 for additional information.

**G. *Subscription-Based Information Technology Arrangements (SBITAs)***

A Subscription-Based Information Technology Arrangement (SBITAs) is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets as specified in a contract for a period in an exchange or exchange-like transaction. The Authority recognizes SBITAs with a threshold based on 1% of the Authority's total annual assets for SBITAs to be recorded under the GASB 96.

As of June 30, 2024, the Authority does not have any SBITAs that qualify above this threshold.

**NOTE 3 – CASH AND INVESTMENTS**

**A. *Carrying Amount and Fair Value***

Cash and investments are recorded at fair value, which is the same as fair market value. The Authority's cash and investments were composed of cash in banks and the California Local Agency Investment Fund (LAIF), each of which is described below.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

Cash and investments comprised of the following at June 30, 2024:

Investment Type	Total
California Local Agency Investment Fund	\$15,433,165
<i>Held by Trustees:</i>	
Money Market Mutual Fund	6,729,183
Total Investments	22,162,348
Cash in banks and on hand	838,137
Total Cash and investments	\$23,000,485

The California Local Agency Investment Fund (LAIF) and money market mutual funds are exempt from the fair value hierarchy.

**B. Investments Authorized by the Authority**

The California Government Code allows the Authority to invest in the following types of investments.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	N/A	No Limit	No Limit
State Obligations: CA and Others	5 years	N/A	No Limit	No Limit
CA Local Agency Obligations	5 years	N/A	No Limit	No Limit
U.S. Agency Obligations	5 years	N/A	No Limit	No Limit
Negotiable Certificates of Deposit	5 years	N/A	30%	No Limit
Non-negotiable Certificates of Deposit	5 years	N/A	No Limit	No Limit
Mutual Funds and Money Market Mutual Funds	N/A	Multiple	20%	10%
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper - Pooled Funds	270 Days	Highest	40%	10%
Commercial Paper - Non-Pooled Funds	270 Days	Highest	25%	10%
Local Agency Investment Program Fund (LAIF)	N/A	N/A	No limit	No Limit
Local Agency Bonds	5 years	N/A	No Limit	No Limit
Placement Service Deposits	5 years	N/A	50%	No Limit
Placement Service Certificates of Deposit	5 years	N/A	50%	No Limit
Repurchase Agreements	1 year	N/A	No Limit	No Limit
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	N/A	20%	No Limit
Medium-Term Notes	5 years	A	30%	No Limit
Collateralized Bank Deposits	5 years	N/A	No Limit	No Limit
Mortgage Pass-Through Securities	5 years	AA	20%	No Limit
County Pooled Investment Funds	N/A	N/A	No Limit	No Limit
Joint Powers Authority Pool	N/A	Multiple	No Limit	No Limit
Voluntary Investment Program Funds	N/A	N/A	No Limit	No Limit
Supranational Obligations	5 years	AA	30%	No Limit
Public Bank Obligations	5 years	N/A	No Limit	No Limit

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**C. *Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of the Authority's investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. As of year end, the weighted average maturity of the investments in the LAIF investment pool, and the money market mutual funds, is approximately 217 and 46 days, respectively.

**D. *Credit Risk***

Generally, credit risk is the risk that an issuer of an investment fails to fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of year end, the money market mutual funds were rated AAAM by S&P. LAIF is not rated by a nationally recognized statistical rating organization.

**E. *Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority may not be able to recover its deposits or may not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its agent having a fair value of 110% to 150% of the Authority's cash on deposit. All of the Authority's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the Authority's name.

**F. *Local Agency Investment Fund***

The Authority is a voluntary participant in LAIF. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The carrying value of LAIF approximates fair value.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 4 – CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation expense is calculated on the straight line method over the estimated useful lives of assets, which are as follows:

Ferries	25 years
Ferry Terminal/Facilities	50 years
Terminal Development Rights	55 years

Capital assets activity was as follows for the year ended June 30, 2024:

	Balance as of June 30, 2023	Additions	Transfers/ Adjustments	Balance as of June 30, 2024
Capital assets not being depreciated:				
Construction in progress	\$39,239,784	\$30,268,695	(\$13,933,758)	\$55,574,721
Total assets not being depreciated	39,239,784	30,268,695	(13,933,758)	55,574,721
Capital assets being depreciated:				
Ferries	247,420,438		3,577,890	250,998,328
Terminal development rights	3,660,000			3,660,000
Floats, piers and gangways	16,077,607			16,077,607
Ferry terminal and facilities	266,659,874		10,355,868	277,015,742
Equipment and service vehicles	1,631,777			1,631,777
Total assets being depreciated	535,449,696		13,933,758	549,383,454
Less accumulated depreciation for:				
Ferries	(88,394,229)	(10,331,117)		(98,725,346)
Terminal development rights	(931,590)	(66,546)		(998,136)
Floats, piers and gangways	(8,012,557)	(458,813)		(8,471,370)
Ferry terminal and facilities	(32,735,301)	(5,622,029)		(38,357,330)
Equipment and service vehicles	(1,380,734)	(45,222)		(1,425,956)
Total accumulated depreciation	(131,454,411)	(16,523,727)		(147,978,138)
Net capital assets being depreciated	403,995,285	(16,523,727)	13,933,758	401,405,316
Capital Assets, Net	\$443,235,069	\$13,744,968		\$456,980,037

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 4 – CAPITAL ASSETS (Continued)**

The Authority has various projects. Construction in progress as of June 30, 2024 includes the following projects:

Project Name	Balance as of June 30, 2024
New High-Speed Vessel	\$14,836,006
Vessel Replacement - MV Solano	8,911,568
Replacement Vessel - MV Bay Breeze	12,459,836
Gemini Class Vessel Engine Conversion	5,702,454
Berkeley Environmental	2,071,086
Terminal Rehab - Eng & Design Main Street	1,779,132
Terminal Dredging - Vallejo	1,294,760
Multiple projects under \$1 Million (35 projects)	8,519,879
<b>Total</b>	<b><u><u>\$55,574,721</u></u></b>

**NOTE 5 – MAJOR FUNDING SOURCES**

**A. State Appropriation**

In October 1999, the California State legislature formed the Water Transit Authority (WTA) and received a single \$12,000,000 appropriation as initial funding for the study and planning of water transportation services in the San Francisco Bay. On October 14, 2007, Senate Bill stated that WTA funds will be transferred to the Authority. As of June 30, 2024, the appropriation has a balance as follows:

<b>Original appropriation</b>	\$12,000,000
Net expenses as of June 30, 2024	<u>(10,908,127)</u>
Unearned appropriation as of beginning of period	1,091,873
Fiscal year 2024:	
Add: Interest income	48,554
Less: Expended	<u>-</u>
<b>Unearned appropriation as of period end</b>	<b><u><u>\$1,140,427</u></u></b>

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 5 – MAJOR FUNDING SOURCES**

**B. Bridge Tolls**

*Regional Measure 1 (RM1)* – In November 1988, Bay Area voters approved Regional Measure 1 (RM1), which authorized a standard auto toll of \$1 for all seven state-owned Bay Area toll bridges. The additional revenues generated by the toll increase were identified for use for congestion-relieving transit operations and capital projects in the bridge corridors. The Authority receives the portion of RM1 funding intended for transit operation and ferry capital projects. As of June 30, 2024, the Authority expended a total of \$5,185,249 for ferry capital projects. Of the total 2023 receivable balance and 2024 expenditures, the Authority received \$4,460,558 in cash prior to June 30 2024.

*Regional Measure 2 (RM2)* – On March 2, 2004, voters passed Regional Measure 2 (RM2), raising the toll on the seven State-owned toll bridges in the San Francisco Bay Area by \$1.00. This extra dollar is to fund various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004). Specifically, RM2 establishes the Regional Traffic Relief Plan and identifies specific transit operating assistance and capital projects and programs eligible to receive RM2 funding. The Authority was allocated \$12,416,754 to be used for operations in the fiscal year 2023-24. As of June 30, 2024, the Authority has expended total current allocated operating funds of \$12,416,754. RM2 funding is also provided for Planning and Administration of ferry service and \$2,434,658 was allocated and spent in the fiscal year 2023-24.

*AB664* – This source is named for the 1975 enabling legislation that established certain reserves from the original base toll. Funds are collected from the Dumbarton, San Mateo-Hayward and San Francisco-Oakland Bay bridges and are used to fund capital projects that further the development of public transit in the vicinity of the bridges. Most AB664 funding is programmed to various transit agencies as a match for federal funds to cover the cost of replacing buses and improving capital facilities. As of June 30, 2024, the Authority had expended total allocated funds of \$1,042,440. Of the total 2023 receivable balance and 2024 expenditures, the Authority received \$1,474,569 in cash prior to June 30, 2024.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 5 – MAJOR FUNDING SOURCES (Continued)**

**C. Proposition 1B (CTSGP-RPWT) Projects**

Pursuant to State Proposition 1B, the Authority is the eligible recipient of funds from the California Transit Grant Program, Regional Public Waterborne Transit (CTSGP-RPWT) for public transportation ferries and related facilities and services and emergency water transportation disaster recovery within the Bay Area region. As of June 30, 2024, the Authority had been awarded \$245 million in Proposition 1B allocations. Unspent grant receipts are reported as unearned revenue in the accompanying financial statements.

A summary of the Authority’s Proposition 1B projects for the fiscal year ended June 30, 2024 are as follows:

Project Name	Grant Allocations	Interest Applied	Retention	Expended in Fiscal Year		Unearned Revenue at June 30, 2024
				Prior years	2023-24	
Preliminary Studies & Bridging Design of Redwood City, Richmond, Antioch and Martinez	\$2,299,792			(\$2,299,792)		
Final Design for Berkeley and Hercules Terminals	220,519			(220,519)		
South San Francisco Terminal and Vessel Construction	9,617,037			(9,617,037)		
Maintenance Barge/Facility and Emergency Floats	5,686,442			(5,686,442)		
Central Bay and North Bay Maintenance Facilities	76,176,210			(75,562,414)		\$613,796
San Francisco Berthing Expansion	61,474,530	\$544,340		(62,018,870)		
WETA Ferry Vessels	73,525,470		\$274,872	(74,728,893)	(\$305,237)	(1,233,788)
East Bay Ferry Terminals	16,000,000			(16,000,000)		
<b>Total</b>	<b>\$245,000,000</b>	<b>\$544,340</b>	<b>\$274,872</b>	<b>(\$246,133,967)</b>	<b>(\$305,237)</b>	<b>(619,992)</b>
Add interest earned in prior years						1,144,660
Add interest earned in current year						19,773
Less interest applied to projects						(544,340)
Unearned Revenues						<u>\$101</u>

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 5 – MAJOR FUNDING SOURCES (Continued)**

**D. Measure B and Measure BB Programs**

Measure B was approved by the voters of Alameda County in 2000. This Measure authorized a half-cent transportation sales tax to finance improvements to the County’s mass transit and road improvements. Measure B funds were to be collected for a duration of 20 years; sales tax collection began on April 1, 2002 and ended on March 31, 2022.

On November 4, 2014, the voters of Alameda County approved Measure BB, authorizing Alameda County Transportation Commission (CTC) to administer the proceeds from the extension of an existing one-half of one percent transaction and use tax scheduled to terminate on March 31, 2022 and the augmentation of the tax by one-half of one percent. The duration of the tax will be for 30 years from the initial year of collection, expiring on March 31, 2045. The tax proceeds will be used to pay for investments outlined in the 2014 Alameda County Transportation Expenditure Plan (2014 TEP).

The Authority uses Measure B and Measure BB funds for the maintenance and operations of the Alameda ferry services. During the fiscal year ended June 30, 2024, the Measure B and Measure BB program activity was as follows:

	<u>Measure B</u>	<u>Measure BB</u>
<b>Program Revenues:</b>		
Direct Local Program Distribution Allocation	\$118,142	\$1,818,771
Interest Earned - Measure B/BB Distribution		211,102
<b>Total Measure B/BB Revenues</b>	<u>118,142</u>	<u>2,029,873</u>
<b>Program Expenditures:</b>		
Construction / Capital:		
Terminal Rehabilitation - Alameda Main Street	(2,450,284)	(1,418,571)
Engines Conversion - Gemini Class Vessels		172,913
Central Bay Terminal Expansion		<u>(7,104)</u>
<b>Total Direct Local Distribution Program Expenditures</b>	<u>(2,450,284)</u>	<u>(1,252,762)</u>
<b>Revenue Over Expenditures/ Excess Net Change in Fund Balance</b>	<u>(2,332,142)</u>	<u>777,111</u>
<b>Fund Balance:</b>		
Beginning Fund Balance	<u>2,332,142</u>	<u>4,285,098</u>
<b>Ending Fund Balance</b>	<u><u>                    </u></u>	<u><u>\$5,062,209</u></u>
<b>Reserves:</b>		
Restricted for Measure B and Measure BB programs and projects	<u>                    </u>	<u>\$5,062,209</u>
<b>Unspent Funds as of the End of the Year:</b>	<u><u>                    </u></u>	<u><u>\$5,062,209</u></u>

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**NOTE 5 – MAJOR FUNDING SOURCES (Continued)**

***E. Federal Funding Programs***

The majority of federal funds received and utilized by the Authority to support its annual capital program are Federal Section 5307 Urbanized Area Formula Grants and Section 5337 State of Good Repair Grants programmed annually by the Metropolitan Transportation Commission (MTC) and secured through direct grant applications and contracts with the Federal Transit Administration (FTA). These funds are currently available to support high priority capital rehabilitation and replacement projects. The Authority also receives Federal Highway Administration (FHWA) Ferry Boat Program funds and is eligible to receive FTA Passenger Ferry Grant Program funds for the construction of ferry boat and ferry terminal facilities. In fiscal year 2024, the Authority utilized \$16,473,909 in federal funds for ferry service-related capital projects.

The American Rescue Plan Act of 2021 (ARP) provided supplemental funding to transit agencies to help prevent, prepare for, and respond to the COVID-19 pandemic. The total amount made available to each agency was based on funding appropriated under the Acts and metrics developed by MTC. A second allocation was provided to agencies on a competitive basis based on need. In fiscal year 2024, the Authority utilized a total of \$23,240,684 from this funding sources to support operating expenses during continued impact from the COVID-19 pandemic.

The Authority also receives smaller sums related to non-recurring program expenses that are detailed in its federal Single Audit report.

***F. State Transit Assistance (STA)***

The State Transit Assistance (STA) Revenue Program (PUC 99314) provides funds that are derived from the statewide sales tax on diesel fuel and appropriated by the Legislature to the State Controller's Office. The State Controller then allocates the tax revenue, by formula, to planning agencies (such as MTC) and other selected agencies for transit operations and capital projects. The Authority is programmed approximately \$3 million annually through this source. Unallocated funding is held in reserve for the Authority use at MTC. During the fiscal year, the Authority received \$3,238,254 in STA funding and incurred \$2,946,748 in expenditures. The Authority recorded a balance of unspent STA proceeds of \$291,506 as of June 30, 2024. Total funding allocated to the Authority since inception, as of June 30, 2024, is \$3,238,254.

<b>Program Fund Balance - Beginning of Year</b>	\$0
<b>Program Revenues:</b>	
Allocation Received - FY2023-24	3,238,254
<b>Total Program Revenues</b>	3,238,254
<b>Program Expenditures:</b>	
Transit Operating Expenditures	(2,946,748)
<b>Total Program Expenditures</b>	(2,946,748)
<b>Program Fund Balance - End of Year</b>	\$291,506

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**NOTE 5 – MAJOR FUNDING SOURCES (Continued)**

**G. State Transit Assistance (STA) - State of Good Repair (STA-SGR)**

The Road Repair and Accountability Act of 2017, Senate Bill 1 (SB 1), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the State of Good Repair (SGR) program. This program provides funding of approximately \$105 million annually to the State Transit Assistance (STA) Account. These funds are to be made available for eligible transit maintenance, rehabilitation and capital projects. Funds are distributed by formula on a population basis in the region and on a revenue basis. During the fiscal year, the Authority received \$512,476 in SGR funding and incurred \$198,223 SGR expenditures. The Authority recorded a balance of unspent SGR proceeds and interest of \$1,164,762 as of June 30, 2024. Total funding allocated to the Authority since inception, as of June 30, 2024, is \$2,490,514.

<b>Program Fund Balance - Beginning of Year</b>	\$795,398
<b>Program Revenues:</b>	
Allocation Received - FY 2023-24	512,476
Interest Earned	55,111
<b>Total Program Revenues</b>	<b>567,587</b>
<b>Program Expenditures:</b>	
Water Jet Equipment	(198,223)
<b>Total Program Expenditures</b>	<b>(198,223)</b>
<b>Program Fund Balance - End of Year</b>	<b>\$1,164,762</b>

**H. Low Carbon Transit Operations Program (LCTOP)**

The Low Carbon Transit Operations Program (LCTOP) is one of several programs funded by auction proceeds from the California Air Resource Board's Cap-and-Trade Program. LCTOP receives a five percent continuous appropriation of the annual auction proceeds beginning in FY2015/16. Funding is allocated annually to public transit operators in the State based on the existing State Transit Assistance revenue based formulas. The LCTOP program provides operating and capital assistance for transit agencies to reduce greenhouse gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities.

During the fiscal year, the Authority received \$666,158 in LCTOP funding and incurred \$1,875,476 LCTOP expenditures. Total funding allocated from the LCTOP program to the Authority is \$3,154,589 as of June 30, 2024. The Authority recorded a balance of unspent LCTOP funding and interest of \$783,325 as of June 30, 2024.

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**NOTE 6 – LEASE OBLIGATIONS**

**A. *Port of San Francisco***

The Authority and Port of San Francisco entered into a lease agreement on December 1, 2011. The agreement allows the Authority to lease three parcels for office space, nonexclusive apron space and the exclusive use of lay berth area for ferry berthing. The annual lease payment is \$244,170 and each parcel amount is subject to a 3% annual adjustment with a minimum adjustment of \$0.01 (1 cent). On September 29, 2016, the Authority and the Port of San Francisco entered into a new lease extending the original lease by 5 years, that expired on November 30, 2021. On August 26, 2021, the Authority and the Port of San Francisco entered into a new lease extending the original lease by 5 years at a reduced rate, and expires on November 30, 2026. The annual lease payment is \$306,948, and each parcel is subject to a 3% annual adjustment with a minimum adjustment of \$0.01 (1 cent).

**B. *Lennar Mare Island, LLC***

The Authority and Lennar Mare Island entered into a lease agreement on April 22, 2013. The agreement allows the Authority to lease facilities for the purposes of continued ferry maintenance operations at the Temporary Ferry Facility Area and Permanent Ferry Facility Area. The Authority is obligated to make monthly payments for the Temporary Ferry Facility Area and Permanent Ferry Facility Area of \$9,000 and \$2,500, respectively. The Permanent Ferry Facility Area shall increase the monthly base rent by 2.5% over the prior year's base rent amount on an annual basis. The lease expires after 50 years.

**C. *City of Alameda***

The Authority and the City of Alameda entered into a lease agreement on February 15, 2015. The agreement allows the Authority to lease facilities for the Central Bay Operations and Maintenance Facility. The Authority is obligated to make monthly base rent payments equal to \$5,125, adjusted annually by the Consumer Price Index Rent Adjustment, and expires after 60 years.

**D. *City of Richmond***

The Authority and the City of Richmond entered into a lease agreement on August 24, 2017. The agreement allows the Authority to lease landside and waterside facilities for the Richmond ferry service. The Authority is obligated to make an annual base rent payment of \$1. The lease expires on August 31, 2027.

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**NOTE 7 – RISK MANAGEMENT**

The Authority purchased the following insurance policy coverage for fiscal year 2024:

Type of Coverage	Limit	Deductible
General liability	\$1,000,000 to 3,000,000	\$2,500
Workers compensation	1,000,000	N/A
Public officials management & Employment practices liability	25,000 to 3,000,000	5,000 to 25,000
Crime insurance	1,000,000	2,500
Special liability (SLIP)	1,000,000	1,000
<u>Type of Coverage (related to Ferry Services)</u>		
Marine commercial liability, Terminal operators liability and Wharfingers liability	\$1,000,000 to 3,000,000	\$2,500
Property insurance	225,216,496	50,000 to 250,000
Excess marine liability	24,000,000	N/A

There were no claims in excess of insured amounts during the past three years.

**NOTE 8 – NET POSITION**

*Net Position*

Net Position is the excess of all the Authority's assets and deferred outflows of resources over all its liabilities and deferred inflows, regardless of fund. The Authority's Net Position is reported under the captions described below:

*Net Investment in Capital Assets* is the current net book value of the Authority's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes unexpended Measure B revenues, unexpended Measure BB revenues and Alameda Local Property Tax/Assessments.

*Unrestricted* describes the portion of Net Position which may be used for any Authority purpose.

**NOTE 9 – PENSION PLAN**

**A. Plan Descriptions and Summary of Balances by Plan**

**Plan Descriptions** – The Authority has three defined benefit pension plans, a Miscellaneous Plan (Plan), a Water Emergency Transportation Authority Plan and Replacement Benefit Plan. The Miscellaneous Plan is a public agency cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). The Water Emergency Transportation Authority Plan and Replacement Benefit Plan are both Single Employer Plan administered by the Authority. Benefit provisions under the Plans are established by State statute and Authority Ordinance.

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**NOTE 9 – PENSION PLAN (Continued)**

*Miscellaneous Plan* – The Plan is administered by the California Public Employees’ Retirement System (“CalPERS”). Benefit provisions under the Plans are established by State statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

*Water Emergency Transportation Authority Plan and Replacement Benefit Plan* – These plans were implemented on September 5, 2019 and are closed to new participants hired after January 1, 2013. These plans are separate from CalPERS and are established as a 401(a) Defined Benefit Plan. Both plans are administered by the Authority.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office or the Trust. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by plan:

Plan	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability (Asset)	Deferred Inflows of Resources
CalPERS Plans:			
Miscellaneous	\$964,054	\$1,045,205	\$530,903
Water Emergency Transportation Authority Plan	308,497	(72,140)	251,603
Replacement Benefit Plan	5,808	(25,229)	
	<u>\$1,278,359</u>	<u>\$947,836</u>	<u>\$782,506</u>

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**NOTE 9 – PENSION PLAN (Continued)**

**B. General Information about the CalPERS Pension Plans**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the Authority’s Miscellaneous Employee Pension Rate Plan. The Authority’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan, which is administered by the California Public Employees’ Retirement System (CalPERS). The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous	
	Tier 1 - Prior to January 1, 2013	Tier 2 - On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	1.0% - 2.5%
Required employee contribution rates	8.00%	7.75%
Required employer contribution rates	14.06%	7.68%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis.

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority’s is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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**NOTE 9 – PENSION PLAN (Continued)**

For the year ended June 30, 2024, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous
	Tier I & Tier II
Contributions - employer	\$398,573
Contributions - employee (paid by employer)	271,997

***Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2024, the Authority reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$1,045,205
Total Net Pension Liability (Asset)	\$1,045,205

The Authority’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority’s proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	Miscellaneous
Proportion - June 30, 2022	0.0160%
Proportion - June 30, 2023	0.0209%
Change - Increase (Decrease)	0.0049%

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**NOTE 9 – PENSION PLAN (Continued)**

For the year ended June 30, 2024, the Authority recognized a pension expense of \$177,270. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$398,573	
Differences between actual and expected experience	53,395	(\$8,283)
Changes in assumptions	63,104	
Net differences in actual contributions and proportionate contributions		(256,331)
Net differences between projected and actual earnings on pension plan investments	169,228	
Adjustments due to changes in proportion	279,754	(266,289)
Total	<u>\$964,054</u>	<u>(\$530,903)</u>

Deferred outflows of \$398,573 related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Miscellaneous	
Year Ended June 30	Annual Amortization	
2025	\$4,300	
2026	(102,621)	
2027	128,042	
2028	4,857	
Total	<u>\$34,578</u>	

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**NOTE 9 – PENSION PLAN (Continued)**

*Actuarial Assumptions* – For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

**Discount Rate** – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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**NOTE 9 – PENSION PLAN (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rate of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return 1,2
Global Equity-Cap Weighted	30.0%	4.54%
Global Equity-Non-Cap Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

***Sensitivity of the Proportionate Share of the Net Pension Asset to Changes in the Discount Rate*** The following presents the Authority's proportionate share of the net pension asset for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability (Asset)	\$2,658,670
Current Discount Rate	6.90%
Net Pension Liability (Asset)	\$1,045,205
1% Increase	7.90%
Net Pension Liability (Asset)	(\$282,815)

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**NOTE 9 – PENSION PLAN (Continued)**

*Pension Plan Fiduciary Net Position* – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**C. General Information about the Water Emergency Transportation Authority Retirement Plan and the Water Emergency Transportation Authority Replacement Benefit Pension Plans**

*Plan Description* – In September 2019, the Authority’s Board of Directors (Board) adopted the San Francisco Bay Area Water Emergency Transportation Authority Retirement Plan (Retirement Plan), the San Francisco Bay Area Water Emergency Transportation Authority Replacement Benefits Plan (Replacement Benefits Plan) and related Trust Agreements to restructure funding of the Authority’s existing longevity stipend benefits. The Board also authorized staff to take actions to support the implementation of these plans, which provide monthly stipend to eligible retirees to support medical costs in retirement. Both Plans are single-employer covered plans administered by the Authority.

*Benefits Provided* – The Retirement Plan and Replacement Benefit Plan provides Longevity Stipend benefits for eligible employees who were hired prior to January 1, 2013.

*Employees Covered by Benefit Terms* – Membership in the Retirement Plan consisted of the following at the measurement date of June 30, 2024:

Active plan members	4
Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	1
Total	8

*Employees Covered by Benefit Terms* – Membership in the Replacement Benefit Plan consisted of the following at the measurement date of June 30, 2024:

Inactive employees or beneficiaries currently receiving benefit payments	1
Total	1

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**NOTE 9 – PENSION PLAN (Continued)**

*Actuarial Methods and Assumptions* – The Authority’s net pension liability was measured as of June 30, 2024 and the total Pension liability used to calculate the net pension liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions for, both the Retirement Plan and Replacement Benefit Plan, respectively:

	<u>Retirement Plan</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Contribution Policy	Authority contributes full ADC
Actuarial Assumptions:	
Discount Rate	5.50%
Long-Term Net Rate of Return	5.50%
Inflation	2.50%
Salary Increases	Aggregate - 2.75% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Participation at Retirement	PEMHCA - 100% Non-PEMHCA - 0%
Medical Trend	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increases	3.50%
	<u>Replacement Benefit Plan</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Contribution Policy	Authority contributes full ADC
Actuarial Assumptions:	
Discount Rate	5.50%
Long-Term Net Rate of Return	5.50%
Inflation	2.50%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increases	3.50%

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**NOTE 9 – PENSION PLAN (Continued)**

The long-term expected rate of return on Retirement Plan and Replacement Benefit Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of Pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	45%	4.56%
Fixed Income	50%	0.78%
REITs	3%	4.06%
Cash	2%	-0.50%
Total	100%	
Assumed Long-Term Rate of Inflation		2.50%
Assumed Long-Term Net Rate of Return, Rounded		5.50%

**Discount Rate** – The discount rate used to measure the total Pension liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Pension plan’s fiduciary net position was projected to be available to make all projected pension payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on Pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in Net Pension Liability***

The changes in the net pension liability for the Retirement Plan is as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023 (June 30, 2023 measurement date)	\$2,408,127	\$1,845,451	\$562,676
Changes Recognized for the Measurement Period:			
Service cost	62,572		62,572
Interest	134,694		134,694
Difference between expected and actual experience	(298,196)		(298,196)
Changes of assumptions	64,620		64,620
Contributions from the employer		407,657	(407,657)
Net investment income		200,849	(200,849)
Benefit payments and refunds	(43,411)	(43,411)	
Administrative expenses		(10,000)	10,000
Net Changes	(79,721)	555,095	(634,816)
Balance at June 30, 2024 (June 30, 2024 measurement date)	\$2,328,406	\$2,400,546	(\$72,140)

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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 9 – PENSION PLAN (Continued)**

The changes in the net Pension liability for the Replacement Benefit Plan is as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023 (June 30, 2023 measurement date)	\$426,753	\$337,060	\$89,693
Changes Recognized for the Measurement Period:			
Interest	23,886		23,886
Difference between expected and actual experience	(63,548)		(63,548)
Changes of assumptions	15,239		15,239
Contributions from the employer		64,293	(64,293)
Net investment income		36,206	(36,206)
Benefit payments and refunds	15,086	15,086	
Administrative expenses		(10,000)	10,000
Net Changes	(9,337)	105,585	(114,922)
Balance at June 30, 2024 (June 30, 2024 measurement date)	\$417,416	\$442,645	(\$25,229)

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net Pension liability of the Authority for both Retirement Plan and Replacement Benefits Plan, respectively, as well as what the Authority's net Pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current discount rate:

	Retirement Plan's Net Pension Liability/(Asset)		
	Discount Rate -1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate +1% (6.50%)
Net Pension Liability	\$343,546	(\$72,140)	(\$405,606)

	Replacement Benefit Plan's Net Pension Liability/(Asset)		
	Discount Rate -1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate +1% (6.50%)
Net Pension Liability	\$37,306	(\$25,229)	(\$75,962)

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 9 – PENSION PLAN (Continued)**

***Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension***

For the year ended June 30, 2024, the Authority recognized Pension expense of \$149,290 related to the Retirement Plan. At June 30, 2024, the Authority reported deferred outflows and inflows of resources related to Pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$188,172	\$251,603
Changes in assumptions	100,225	
Net difference between projected and actual earnings on plan investments	20,100	
Total	<u>\$308,497</u>	<u>\$251,603</u>

For the year ended June 30, 2024, the Authority recognized Pension expense of \$(28,389) related to the Replacement Benefit Plan. At June 30, 2024, the Authority reported deferred outflows and inflows of resources related to Pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$5,808	
Total	<u>\$5,808</u>	<u>\$0</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to Pension will be recognized as part of Pension expense as follows:

Retirement Plan	
Measurement Period Ended June 30	Annual Amortization
2025	\$47,610
2026	66,610
2027	(4,651)
2028	(1,579)
2029	(36,496)
Thereafter	<u>(14,600)</u>
Total	<u>\$56,894</u>

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 9 – PENSION PLAN (Continued)**

Replacement Benefit Plan	
Measurement Period Ended June 30	Annual Amortization
2025	\$5,134
2026	9,043
2027	(4,949)
2028	(3,420)
Total	\$5,808

**NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS**

**A. General Information about the Authority’s Other Post Employment Benefit (OPEB) Plan**

**Plan Description** – The Authority’s Post Employment Benefit Plan San Francisco Bay Area Water Emergency Transportation Authority Retiree Healthcare Plan is an agent multiple-employer defined benefit OPEB plan. By Board resolution, the Authority provides certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans.

**Benefits Provided** – The Authority pays the minimum of PEMHCA community rated plans for retired employees’ medical premiums, in which the benefits continue to the surviving spouse. The Authority will also provide a longevity stipend for retired employees who have at least 10 years of service, by paying up to the PERS Care single premium for single coverage only.

For the year ended June 30, 2024, the Authority’s contributions to the Plan were \$12,036.

**Employees Covered by Benefit Terms** – Membership in the plan consisted of the following at the measurement date of June 30, 2024:

Active plan members	22
Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	7
Total	32

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**B. Net OPEB Asset**

*Actuarial Methods and Assumptions* – The Authority’s net OPEB asset was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Assumptions:	
Discount Rate	6.25%
Long-Term Net Rate of Return	6.25%
Inflation	2.50%
Salary Increase	2.75%
Mortality, Retirement, Disability, Termination Mortality Improvement	CalPERS 2000-2019 experience study Scale MP-2021
Medical Trend	-Non-Medicare - 7.9% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years -Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years -Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
Total	100%	
Assumed Long-Term Rate of Inflation		2.50%
Assumed Long-Term Net Rate of Return, Rounded		6.25%

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. Changes in Net OPEB Liability (Asset)**

The changes in the net OPEB liability (asset) follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$936,789	\$1,365,102	(\$428,313)
Changes Recognized for the Measurement Period:			
Service cost	144,162		144,162
Interest	67,185		67,185
Difference between expected and actual experience	(54,860)		(54,860)
Changes of assumptions	(20,611)		(20,611)
Contributions from the employer		12,036	(12,036)
Net investment income		149,893	(149,893)
Benefit payments and refunds	(11,955)	(11,955)	
Administrative expenses		(775)	775
Net Changes	<u>123,921</u>	<u>149,199</u>	<u>(25,278)</u>
Balance at June 30, 2024	<u>\$1,060,710</u>	<u>\$1,514,301</u>	<u>(\$453,591)</u>

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$7,009.

**D. Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates**

The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current discount rate:

	Plan's Net OPEB Liability/(Asset)		
	Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
Net OPEB Liability/(Asset)	<u>(\$257,009)</u>	<u>(\$453,591)</u>	<u>(\$610,747)</u>

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

The following presents the net OPEB liability/(asset) of the Authority, as well as what the Authority's net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)	Plan's Net OPEB Liability/(Asset)		
	Current Healthcare		
	Decrease -1%	Cost Trend Rates	Increase +1%
	(\$658,705)	(\$453,591)	(\$182,515)

**E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the Authority recognized OPEB expense of \$95,168. At June 30, 2024, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$260,840
Changes in assumptions	\$19,432	21,817
Net difference between projected and actual earnings on plan investments	27,117	
Total	\$46,549	\$282,657

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Measurement Period Ended June 30	Annual Amortization
2025	(\$32,202)
2026	7,006
2027	(52,670)
2028	(50,360)
2029	(34,649)
Thereafter	(73,233)
Total	(\$236,108)

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

The Authority participates in Federal and State and local grant programs. These programs have been audited by the Authority’s independent auditors, in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Authority expects such amounts, if any, to be immaterial.

At June 30, 2024, the Authority had made commitments for the following projects:

Purchase New Commuter Class High-Speed Vessel	\$277,035
Purchase Replacement Vessel - MV Bay Breeze & MV Vallejo	12,971,396
Vessel Engine & Reduction Gear Overhaul Services	522,197
Alameda Main Street Project	903,256
Vessel Waterjet Upgrade & Equipment	<u>943,648</u>
Total	<u><u>\$15,617,532</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

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**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2024**

San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,  
a Cost-Sharing Multiple-Employer Defined Pension Plan

As of fiscal year ending June 30, 2024  
Last 10 Years

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS**

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Plan's Proportion of the Net Pension Liability/(Asset)	0.010204%	0.016026%	0.011107%	0.007533%	-0.002877%	0.002546%	0.006478%	-0.015118%	0.016011%	0.020902%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$748,940	\$439,655	\$385,835	\$296,963	(\$108,435)	\$101,947	\$273,245	(\$971,774)	\$749,190	\$1,045,205
Plan's Covered Payroll	\$1,217,627	\$1,363,751	\$1,453,752	\$1,597,597	\$1,744,351	\$1,890,469	\$2,184,929	\$2,113,621	\$2,382,444	\$2,789,055
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	61.51%	32.24%	26.54%	18.59%	-6.22%	5.39%	12.51%	-45.98%	31.45%	37.48%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	81.15%	79.89%	75.87%	75.39%	77.69%	77.73%	81.14%	90.49%	76.68%	76.21%

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2024**

San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,  
a Cost-Sharing Multiple-Employer Defined Pension Plan  
As of fiscal year ending June 30, 2024  
Last 10 Years

**SCHEDULE OF CONTRIBUTIONS**

	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
<b>Fiscal Year Ended :</b>					
Actuarially determined contribution	\$222,396	\$434,477	\$391,333	\$516,162	\$202,432
Contributions in relation to the actuarially determined contributions	(222,396)	(434,477)	(391,333)	(516,162)	(202,432)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$1,363,751	\$1,453,752	\$1,597,597	\$1,744,351	\$1,890,469
Contributions as a percentage of covered payroll	16.31%	29.89%	24.50%	29.59%	10.71%
<b>Notes to Schedule</b>					
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	30 years	30 years	30 years	30 years	30 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation	2.75%	2.75%	2.75%	2.75%	2.50%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment rate of return	7.5%, net of pension plan investment and administrative expenses, including inflation	7.5%, net of pension plan investment and administrative expenses, including inflation	7.65%, net of pension plan investment and administrative expenses, including inflation	7.15%, net of pension plan investment and administrative expenses, including inflation	7.15%, net of pension plan investment and administrative expenses, including inflation
Retirement age	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale AA.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale AA.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2017 CalPERS Experience Study. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2024**

San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,  
a Cost-Sharing Multiple-Employer Defined Pension Plan  
As of fiscal year ending June 30, 2024

Last 10 Years  
**SCHEDULE OF CONTRIBUTIONS**

	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
<b>Fiscal Year Ended :</b>	\$245,274	\$254,421	\$268,997	\$310,937	\$398,573
Actuarially determined contribution					
Contributions in relation to the actuarially determined contributions	(245,274)	(254,421)	(268,997)	(310,937)	(398,573)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$2,184,929	\$2,113,621	\$2,382,444	\$2,789,055	\$3,045,690
Contributions as a percentage of covered payroll	11.23%	12.04%	11.29%	11.15%	13.09%

**Notes to Schedule**

Valuation date:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	30 years	30 years	30 years	30 years	30 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation	2.50%	2.50%	2.50%	2.50%	2.30%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment rate of return	7.15%, net of pension plan investment and administrative expenses, including inflation	7.15%, net of pension plan investment and administrative expenses, including inflation	7.15%, net of pension plan investment and administrative expenses, including inflation	7.15%, net of pension plan investment and administrative expenses, including inflation	6.90%, net of pension plan investment and administrative expenses, including inflation
Retirement age	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2	55 yrs. Misc., 62 yrs. Tier 2
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2017 CalPERS Experience Study. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2017 CalPERS Experience Study. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2017 CalPERS Experience Study. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2017 CalPERS Experience Study. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2021 CalPERS Experience Study. The table includes full generational mortality improvements using the Society of Actuaries 80% of scale MP 2020..

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2024**

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
For the Year Ended June 30, 2024

Last Ten Fiscal Years \*

Retirement Plan  
Single Employer Plan

Measurement Date	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
<b>Total Pension liability</b>				
Service cost	\$193,544	\$93,700	\$58,212	\$62,572
Interest	181,668	105,776	126,554	134,694
Benefit changes	-	-	-	-
Differences between expected and actual experience	-	332,922	-	(298,196)
Assumption changes	-	80,856	-	64,620
Benefit payments	(15,107)	(40,579)	(38,828)	(43,411)
Changes of benefit terms	-	-	-	-
<b>Net change in total Pension liability</b>	<b>360,105</b>	<b>572,675</b>	<b>145,938</b>	<b>(79,721)</b>
<b>Total Pension liability - beginning</b>	<b>1,329,409</b>	<b>1,689,514</b>	<b>2,262,189</b>	<b>2,408,127</b>
<b>Total Pension liability - ending (a)</b>	<b>\$1,689,514</b>	<b>\$2,262,189</b>	<b>\$2,408,127</b>	<b>\$2,328,406</b>
<b>Pension fiduciary net position</b>				
Contributions - employer	\$1,635,933	\$0	\$270,491	\$407,657
Contributions - employee	-	-	-	-
Net investment income	173,135	(250,700)	137,329	200,849
Benefit payments	(15,107)	(40,579)	(38,828)	(43,411)
Administrative expense	(6,223)	(10,000)	(10,000)	(10,000)
Other changes	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>1,787,738</b>	<b>(301,279)</b>	<b>358,992</b>	<b>555,095</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>1,787,738</b>	<b>1,486,459</b>	<b>1,845,451</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$1,787,738</b>	<b>\$1,486,459</b>	<b>1,845,451</b>	<b>2,400,546</b>
<b>Plan net Pension liability (asset) - ending (a) - (b)</b>	<b>(\$98,224)</b>	<b>\$775,730</b>	<b>\$562,676</b>	<b>(\$72,140)</b>
<b>Plan fiduciary net position as a percentage of the total Pension liability</b>	<b>105.81%</b>	<b>65.71%</b>	<b>76.63%</b>	<b>103.10%</b>
<b>Covered payroll</b>	<b>\$1,209,976</b>	<b>\$810,595</b>	<b>\$1,146,072</b>	<b>\$969,008</b>
<b>Plan net Pension liability as a percentage of covered payroll</b>	<b>-8.10%</b>	<b>95.70%</b>	<b>49.10%</b>	<b>-7.44%</b>

\*Fiscal year 2021 was the 1st year of the Plan.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2024**

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)**  
**SCHEDULE OF CONTRIBUTIONS**  
**For the Year Ended June 30, 2024**

**Last Ten Fiscal Years \***  
**Retirement - Single Employer Plan**

Fiscal Year:	2020-2021	2021-2022	2022-2023	2023-2024
Actuarially determined contribution	\$124,700	\$100,839	\$100,504	\$111,578
Contributions in relation to the actuarially determined contribution	<u>1,635,933</u>	<u>-</u>	<u>270,491</u>	<u>407,657</u>
Contribution deficiency (excess)	<u>(\$1,511,233)</u>	<u>\$100,839</u>	<u>(\$169,987)</u>	<u>(\$296,079)</u>
Covered payroll	\$1,209,976	\$810,595	\$1,146,072	\$969,008
Contributions as a percentage of covered payroll	135.20%	0.00%	23.60%	42.07%

\*Fiscal year 2021 was the 1st year of the Plan.

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

	June 30, 2019	June 30, 2019	June 30, 2021	June 30, 2023
Valuation Date	June 30, 2019	June 30, 2019	June 30, 2021	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level percentage of pay	Level percentage of pay	Level percentage of pay	Level percentage of pay
Discount Rate	6.00%	6.00%	5.50%	5.50%
General Inflation	2.75%	2.75%	2.50%	2.50%
Mortality, Retirement, Termination & Disability	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 2000-2019 experience study
Mortality Improvement	Scale MP-2019	Scale MP-2019	Scale MP-2020	Scale MP-2021

\*Fiscal year 2021 was the 1st year of the Plan.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2024**

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
For the Year Ended June 30, 2024

Last Ten Fiscal Years \*

**Replacement Benefits Plan  
Single Employer Plan**

Measurement period	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
<b>Total Pension liability</b>				
Service cost	\$33,022	\$11,782	\$0	\$0
Interest	39,018	21,721	22,605	23,886
Benefit changes	-	-	-	-
Differences between expected and actual experience	-	28,639	-	(63,548)
Assumption changes	-	12,513	-	15,239
Benefit payments	(6,473)	(14,110)	(13,686)	15,086
Changes of benefit terms	-	-	-	-
<b>Net change in total Pension liability</b>	<b>65,567</b>	<b>60,545</b>	<b>8,919</b>	<b>(9,337)</b>
<b>Total Pension liability - beginning</b>	<b>291,722</b>	<b>357,289</b>	<b>417,834</b>	<b>426,753</b>
<b>Total Pension liability - ending (a)</b>	<b>\$357,289</b>	<b>\$417,834</b>	<b>426,753</b>	<b>417,416</b>
<b>Pension fiduciary net position</b>				
Contributions - employer	\$327,270	\$14,110	\$44,224	\$64,293
Contributions - employee	-	-	-	-
Net investment income	36,420	(49,196)	24,724	36,206
Benefit payments	(6,473)	(14,110)	(13,686)	15,086
Administrative expense	(6,223)	(10,000)	(10,000)	(10,000)
Other changes	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>350,994</b>	<b>(59,196)</b>	<b>45,262</b>	<b>105,585</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>350,994</b>	<b>291,798</b>	<b>337,060</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$350,994</b>	<b>\$291,798</b>	<b>337,060</b>	<b>442,645</b>
<b>Plan net Pension liability (asset) - ending (a) - (b)</b>	<b>\$6,295</b>	<b>\$126,036</b>	<b>\$89,693</b>	<b>(\$25,229)</b>
<b>Plan fiduciary net position as a percentage of the total Pension liability</b>	<b>98.24%</b>	<b>69.84%</b>	<b>78.98%</b>	<b>106.04%</b>
<b>Covered payroll</b>	<b>\$162,225</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Plan net Pension liability as a percentage of covered payroll</b>	<b>3.90%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\*Fiscal year 2021 was the 1st year of the Plan.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2024**

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)**  
**SCHEDULE OF CONTRIBUTIONS**  
**For the Year Ended June 30, 2024**

**Last Ten Fiscal Years \***  
**Replacement Benefits Plan**

Fiscal Year:	2021-2022	2022-2023	2023-2024
Actuarially determined contribution	\$14,943	\$15,079	\$15,508
Contributions in relation to the actuarially determined contribution	14,110	44,224	64,293
Contribution deficiency (excess)	\$833	(\$29,145)	(\$48,785)
Covered payroll	\$0	\$0	\$0
Contributions as a percentage of covered payroll	N/A	N/A	N/A

\*Fiscal year 2021 was the 1st year of implementation.

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

	June 30, 2021	June 30, 2021	June 30, 2023
Valuation Date	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Level percentage of pay	Level percentage of pay	Level percentage of pay
Amortization Method	5.50%	5.50%	5.50%
Discount Rate	2.50%	2.50%	2.50%
General Inflation	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 2000-2019 experience study
Mortality, Retirement, Termination & Disability	Scale MP-2020	Scale MP-2020	Scale MP-2021
Mortality Improvement			

\*Fiscal year 2021 was the 1st year of the Plan.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2024**

**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS**

For the Year Ended June 30, 2024  
Last Ten Fiscal Years \*

**Other Post-Employment Benefits (OPEB)  
Agent Multiple Employer Plan**

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement period							
<b>Total OPEB liability</b>							
Service cost	\$67,000	\$69,097	\$71,170	\$222,993	\$130,914	\$140,304	\$144,162
Interest	44,000	49,653	(318,925)	96,368	64,597	55,647	67,185
Benefit changes			(69,195)	(5,747)	(265,379)		(54,860)
Differences between expected and actual experience			29,188	(21,366)	10,493		(20,611)
Assumption changes	(10,000)	(11,000)	(7,919)	(14,826)	(14,826)	(18,448)	(11,955)
Benefit payments			57,170				
Changes of benefit terms							
<b>Net change in total OPEB liability</b>	101,000	107,750	(238,511)	292,248	(74,201)	177,503	123,921
<b>Total OPEB liability - beginning</b>	571,000	672,000	779,750	541,239	833,487	759,286	936,789
<b>Total OPEB liability - ending (a)</b>	\$672,000	\$779,750	\$541,239	\$833,487	\$759,286	936,789	1,060,710
<b>OPEB fiduciary net position</b>							
Contributions - employer	\$194,000	\$88,000	\$91,319	\$180,327	\$14,916	\$18,574	\$12,036
Contributions - employee							
Net investment income	50,000	55,796	54,997	336,991	(198,327)	82,429	149,893
Benefit payments	(10,000)	(11,000)	(7,919)	(21,366)	(14,826)	(18,448)	(11,955)
Administrative expense		(1,335)	(229)	(1,220)	(810)	(767)	(775)
Other changes							
<b>Net change in plan fiduciary net position</b>	234,000	131,461	138,168	494,732	(199,047)	81,788	149,199
<b>Plan fiduciary net position - beginning</b>	484,000	718,000	849,461	987,629	1,482,361	1,283,314	1,365,102
<b>Plan fiduciary net position - ending (b)</b>	\$718,000	\$849,461	\$987,629	\$1,482,361	\$1,283,314	1,365,102	1,514,301
<b>Plan net OPEB liability (asset) - ending (a) - (b)</b>	(\$46,000)	(\$69,711)	(\$446,390)	(\$648,874)	(\$524,028)	(428,313)	(453,591)
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	106.85%	108.94%	182.48%	177.85%	169.02%	145.72%	142.76%
<b>Covered payroll</b>	\$1,598,000	\$1,746,000	\$1,890,469	\$2,185,976	\$2,113,620	\$2,281,712	\$2,787,675
<b>Plan net OPEB liability as a percentage of covered employee payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Fiscal year 2018 was the 1st year of implementation.

**SAN FRANCISCO BAY AREA WATER  
EMERGENCY TRANSPORTATION AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2024**

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)**  
**For the Year Ended June 30, 2024**

**Last Ten Fiscal Years \***  
**Other Post-Employment Benefits (OPEB) - Agent Multiple Employer Plan**

Fiscal Year:	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Actuarially determined contribution	\$74,000	\$83,354	\$69,147	\$85,500	\$76,610	\$78,784	\$165,933
Contributions in relation to the actuarially determined contribution	88,000	91,319	82,310	98,017	14,916	18,574	12,036
Contribution deficiency (excess)	(\$14,000)	(\$7,965)	(\$13,163)	(\$12,517)	\$61,694	\$60,210	\$153,897
Covered employee payroll	\$1,746,000	\$1,890,469	\$2,185,976	\$2,113,620	\$2,281,712	\$2,787,675	\$3,384,622
Contributions as a percentage of covered employee payroll	5.04%	4.83%	3.77%	4.64%	0.65%	0.67%	0.36%

\*Fiscal year 2018 was the 1st year of implementation.

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2017	June 30, 2019	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2023	
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	
Amortization Method	Level percentage of pay	Level percentage of pay	Level percentage of pay	Level percentage of pay	Level percentage of pay	Level percentage of pay	Level percentage of pay	
Actuarial Value of Assets	Investment gains and losses spread over 5-year rollinr period	Investment gains and losses spread over 5-year rollinr period	Investment gains and losses spread over 5-year rollinr period	Investment gains and losses spread over 5-year rollinr period	Investment gains and losses spread over 5-year rollinr period	Investment gains and losses spread over 5-year rollinr period	Investment gains and losses spread over 5-year rollinr period	
	Not less than 80% not more than 120% of the Market Value of Assets							
Discount Rate	6.75%	6.75%	6.75%	6.75%	6.75%	6.25%	6.25%	
General Inflation	2.75%	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	
Aggregate Payroll Increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.75%	
Medical Trend	Non-Medicare - 7.0% for 2017/18, decreasing to an ultimate rate of 5.5% in 2020/21	Non-Medicare - 7.0% for 2019, decreasing to an ultimate rate of 4% in 2076	Non-Medicare - 7.25% for 2017/18, decreasing to an ultimate rate of 4% in 2076	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076	Non-Medicare - 7.25% for 2022, decreasing to an ultimate rate of 3.75% in 2076	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	Medicare - 7.2% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21	Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076	Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076	Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076	Medicare (Non-Kaiser) - 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076	Medicare (Non-Kaiser) - 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076	Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076	
Mortality, Retirement, Termination & Disability	CalPERS 1997-2011 experience study	CalPERS 1997-2011 experience study	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 2000-2019 experience study	
Mortality Improvement	Scale MP-2017	Scale MP-2017	Scale MP-2019	Scale MP-2019	Scale MP-2020	Scale MP-2020	Scale MP-2021	

\*Fiscal year 2018 was the 1st year of implementation.

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**INDEPENDENT AUDITOR’S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND  
OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated November 21, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our procedures included the applicable audit procedures contained in §6666 and §6667 of Title 21 of California Code of Regulations and tests of compliance with the applicable provisions of the Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 21, 2024 which is an integral part of our audit and should be read in conjunction with this report.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the management, Board of Directors, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



Pleasant Hill, California  
November 21, 2024

**SAN FRANCISCO  
BAY AREA WATER EMERGENCY  
TRANSPORTATION AUTHORITY**

**MEASURE B FUND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
MEASURE B FUND  
Financial Statements  
For the Year Ended June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the Alameda County Transportation Commission-Measure B Fund (Measure B Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure B Program as of June 30, 2024, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of a Matter***

As discussed in Note 1, the financial statements present only the Measure B Program and are not intended to present fairly the financial position of the Authority as of June 30, 2024, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted.

The emphasis of this matter does not constitute a modification to our opinion.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
November 21, 2024

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SAN FRANCISCO BAY AREA  
 WATER EMERGENCY TRANSPORTATION AUTHORITY  
 ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE B FUND

BALANCE SHEET  
 JUNE 30, 2024

	Mass Transit
<b>ASSETS</b>	
Cash and Investments	\$1,629,170
Interest Receivable	4,929
Total Assets	\$1,634,099
<b>LIABILITIES</b>	
Accounts Payable	\$651,379
Accrued Liabilities	982,720
Total Liabilities	1,634,099
<b>FUND BALANCE</b>	
Restricted for Measure B Programs and Projects	
Total Fund Balance	
Total Liabilities and Fund Balance	\$1,634,099

See accompanying notes to financial statements.

SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE B FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2024

	Mass Transit
REVENUES:	
Interest	\$118,139
Total Revenues	118,139
EXPENDITURES:	
Construction:	
Terminal Rehabilitation - Main Street Eng. & Design	2,450,284
Total Expenditures	2,450,284
NET CHANGE IN FUND BALANCE	(2,332,145)
FUND BALANCE:	
Beginning Fund Balance	2,332,145
Ending Fund Balance	

See accompanying notes to financial statements.

**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
MEASURE B FUND  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended June 30, 2024**

**1. DESCRIPTION OF REPORTING ENTITY**

**Reporting Entity** – All transactions of the Alameda County Transportation Commission – Measure B Funds (Measure B Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), are included in the basic financial statements of the Authority. Measure B Program is used to account for the Authority’s share of the net revenues generated by the Measure B sales tax and expenditures incurred under the Authority’s mass transit program.

In fiscal year 2011, the transfer of the Alameda/Oakland Ferry Service and the Alameda Harbor Bay Ferry Service from the City of Alameda and the Alameda Reuse and Redevelopment Authority to the Authority included Measure B monies. Measure B monies are used to finance the facilities and operations of the Alameda ferry services.

The accompanying financial statements are for the Measure B Program only and are not intended to fairly present the financial position, results of operations and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Basis of Accounting** – The Authority uses an enterprise fund format to report its activities for financial statement purposes. The Authority’s financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

**Fair Value Measurements** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
MEASURE B FUND  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended June 30, 2024**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

**Use of Estimates** – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**3. CASH AND INVESTMENTS**

Cash and investments consisted of \$1,629,170 in money market funds. Money market funds are reported at amortized cost as indicated in GASB 72 paragraph 69c.

See the Authority’s Basic Financial Statements (BFS) for disclosures related to cash and investments as prescribed by Governmental Accounting Standards Board Statement No. 40. The BFS may be obtained from the San Francisco Bay Area Water Emergency Transportation Authority, Pier 9, Suite 111, San Francisco, CA 94111.

**4. MEASURE B PROGRAM**

On November 7, 2000, the voters of Alameda County approved the reauthorization of Measure B. The Authority receives a portion of the proceeds of an additional one-half cent sales tax to be used for transportation – related expenditures. This measure was adopted with the intention that the funds generated by the additional sales tax would not fund expenditures previously paid for by property taxes but, rather, would be used for additional projects and programs.

Projects funded by Measure B were as follows:

*Terminal Rehabilitation – Alameda Main Street*

## INDEPENDENT AUDITOR'S REPORT ON MEASURE B COMPLIANCE

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

### **Report on Compliance for Measure B Program**

#### ***Opinion on Compliance for Measure B Program***

We have audited the San Francisco Bay Area Water Emergency Transportation Authority's (Authority) compliance with the requirements of laws, regulations, contracts, and grants specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission (Funding Agreement) that could have a direct and material effect on the Alameda County Transportation Commission Measure B Program for the year ended June 30, 2024.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Measure B Program for the year ended June 30, 2024.

#### ***Basis for Opinion on the Measure B Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), and requirements specified in the Funding Agreement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Measure B Program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Measure B Program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and requirements specified in the Funding Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the Measure B Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Funding Agreement, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the requirements referred to above, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Measure B Program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Measure B Program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Measure B Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
November 21, 2024

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**SAN FRANCISCO  
BAY AREA WATER EMERGENCY  
TRANSPORTATION AUTHORITY**

**MEASURE BB FUND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
MEASURE BB FUND  
Financial Statements  
For the Year Ended June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Alameda County Transportation Commission-Measure BB Fund (Measure BB Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), California, as of and for the year ended June 30, 2024, and the related notes to the financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure BB Program as of June 30, 2024, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of a Matter***

As discussed in Note 1, the financial statements present only the Measure BB Program and are not intended to present fairly the financial position of the Authority as of June 30, 2024, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted.

The emphasis of this matter does not constitute a modification to our opinion.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
November 21, 2024

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SAN FRANCISCO BAY AREA  
 WATER EMERGENCY TRANSPORTATION AUTHORITY  
 ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUND

BALANCE SHEET  
 JUNE 30, 2024

	Mass Transit
ASSETS	
Cash and Investments	\$5,100,013
Measure BB Direct Distribution Program Receivable	306,904
Measure BB Direct Distribution Program Interest Receivable	17,731
Total Assets	\$5,424,648
LIABILITIES	
Accounts Payable	\$362,439
Total Liabilities	362,439
FUND BALANCE	
Restricted for Measure BB Programs and Projects	5,062,209
Total Fund Balance	5,062,209
Total Liabilities and Fund Balance	\$5,424,648

See accompanying notes to financial statements.

SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2024

	Mass Transit
REVENUES:	
Direct Local Distribution Funds Allocation	\$1,818,771
Interest	211,102
Total Revenues	2,029,873
EXPENDITURES:	
Construction:	
Replacement Vessel - M/V Bay Breeze	1,418,571
Engines Conversion - Gemini Class Vessels	(172,913)
Central Bay Terminal Expansion	7,104
Total Expenditures	1,252,762
NET CHANGE IN FUND BALANCE	777,111
FUND BALANCE:	
Beginning Fund Balance	4,285,098
Ending Fund Balance	\$5,062,209

See accompanying notes to financial statements.

**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
MEASURE BB FUND  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended June 30, 2024**

**1. DESCRIPTION OF REPORTING ENTITY**

**Reporting Entity** – All transactions of the Alameda County Transportation Commission – Measure BB Funds (Measure BB Program) of the San Francisco Bay Area Water Emergency Transportation Authority (Authority), are included in the basic financial statements of the Authority. The Measure BB Program is used to account for the Authority’s share of the net revenues generated by the Measure BB sales tax and expenditures incurred under the Authority’s mass transit program.

The accompanying financial statements are for the Measure BB Program only and are not intended to fairly present the financial position, results of operations and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**Basis of Accounting** – The Authority uses an enterprise fund format to report its activities for financial statement purposes. The Authority’s financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

**Fair Value Measurements** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**Use of Estimates** – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY  
MEASURE BB FUND  
NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended June 30, 2024**

**3. CASH AND INVESTMENTS**

Cash and investments consisted of \$5,100,013 in money market funds. Money market funds are reported at amortized cost as indicated in GASB 72 paragraph 69c.

See the Authority's Basic Financial Statements (BFS) for disclosures related to cash and investments as prescribed by Governmental Accounting Standards Board Statement No. 40. The BFS may be obtained from the San Francisco Bay Area Water Emergency Transportation Authority, Pier 9, Suite 111, San Francisco, CA 94111.

**4. MEASURE BB PROGRAM**

On November 4, 2014, the voters of Alameda County approved Measure BB, authorizing Alameda County Transportation Commission (CTC) to administer the proceeds from the extension of an existing one-half of one percent transaction and use tax scheduled to terminate on March 31, 2022 and the augmentation of the tax by one-half of one percent. The duration of the tax will be for 30 years from the initial year of collection, expiring on March 31, 2045. The tax proceeds will be used to pay for investments outlined in the 2014 Alameda County Transportation Expenditure Plan (2014 TEP).

Projects funded by Measure BB were as follows:

*Replacement Vessel – M/V Bay Breeze*  
*Engines Conversion – Gemini Class Vessels\**  
*Central Bay Terminal Expansion*

\*The negative expenditure of \$172,913 related to the Engine Conversion Project reported on the Statement of Revenues, Expenditures and Changes in Fund Balance for fiscal year ended June 30, 2024 is due to a funding reclassification that occurred after the close of 2023.

## INDEPENDENT AUDITOR'S REPORT ON MEASURE BB COMPLIANCE

To the Board of Directors  
San Francisco Bay Area Water Emergency Transportation Authority  
San Francisco, California

### **Report on Compliance for Measure BB Program**

#### ***Opinion on Compliance for Measure BB Program***

We have audited the San Francisco Bay Area Water Emergency Transportation Authority's (Authority) compliance with the requirements of laws, regulations, contracts, and grants specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission (Funding Agreement) that could have a direct and material effect on the Alameda County Transportation Commission Measure BB Program for the year ended June 30, 2024.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Measure BB Program for the year ended June 30, 2024.

#### ***Basis for Opinion on the Measure BB Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), and requirements specified in the Funding Agreement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Measure BB Program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Measure BB Program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and requirements specified in the Funding Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the Measure BB Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Funding Agreement, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the requirements referred to above, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Measure BB Program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Measure BB Program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Measure BB Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified in the *Master Programs Funding Agreement* between the Authority and the Alameda County Transportation Commission. Accordingly, this report is not suitable for any other purpose.

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Pleasant Hill, California  
November 21, 2024

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**SAN FRANCISCO BAY AREA  
WATER EMERGENCY TRANSPORTATION AUTHORITY**

**SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

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**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**SINGLE AUDIT REPORT  
For The Year Ended June 30, 2024**

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**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2024**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiency(ies) identified?        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiency(ies) identified?        Yes   X   None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   X   No

Identification of major program(s):

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
<u>20.507 and 20.525</u>	<u>Federal Transit Cluster</u>

Dollar threshold used to distinguish between type A and type B programs: \$1,191,438

Auditee qualified as low-risk auditee?   X   Yes        No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated November 21, 2024, which is an integral part of our audits and should be read in conjunction with this report.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Fiscal Year Ended June 30, 2024

<b>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal AL Number</b>	<b>Grant Number</b>	<b>Federal Expenditures</b>
Department of Transportation <b>Direct</b> Programs From:			
<b>Federal Transit Cluster</b>			
Federal Transit Formula Grants <b>Direct</b> Programs:			
All Electric Vessel	20.507	CA-2022-186	\$163,327
Alameda Ferry Terminal Rehabilitation	20.507	CA-2021-048	3,026,427
Ferry Vessel Rebuild - M/V Solano	20.507	CA-2019-013	2,813,607
Ferry Vessel Replacement MV Intintoli	20.507	CA-2022-069	458,741
FY21 5307-9 ARP Grant - Operating Assistance	20.507	CA-2023-010	23,140,685
Vessels: Major Components Rehabilitation	20.507	CA-2023-212	238,954
FFY21 5307-9 ARP Grant - Operating Assistance	20.507	CA-2021-202	99,999
Subtotal FTA - Federal Transit Formula Grants <b>Direct</b> Programs			<u>29,941,740</u>
State of Good Repair Grants <b>Direct</b> Programs:			
FY22/23/24 5337 Ferry Vessel Major Components, Channel Dredging, and Fixed Guideway Connectors	20.525	Pending	2,149,669
FY2019 Section 5337 Capital Projects	20.525	CA-2019-064	3,655,589
FY2020 Ferry Vessel Major Component Maintenance	20.525	CA-2020-229	2,610
FY21-22 Terminal Maintenance	20.525	CA-2022-097	1,852,274
FY20 5307/FY22 5337 for PM-Vessel Major Components; Vessel Midlife Overhaul-MV Gemini; Passenger Float Rehabilitation-Pier 9	20.525	CA-2023-212	967,469
Subtotal FTA - State of Good Repairs Grants <b>Direct</b> Programs			<u>8,627,611</u>
<b>Total Federal Transit Cluster</b>			<u>38,569,351</u>
Department of Transportation <b>Pass-Through</b> Programs From:			
Federal Transit Administration			
Ferry Boat Program	20.205	Not Available	1,145,242
Program Subtotal and DOT <b>Pass-Through</b> Programs			<u>1,145,242</u>
<b>Total Department of Transportation</b>			<u>39,714,593</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$39,714,593</u></u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2024**

**NOTE 1 – REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the San Francisco Bay Area Water Emergency Transportation Authority, California (Authority), and its component units as disclosed in the notes to the Basic Financial Statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the *accrual basis of accounting*. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

**NOTE 3 – INDIRECT COST ELECTION**

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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**INDEPENDENT AUDITOR’S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the Board of Directors  
San Francisco bay Area Water Emergency Transportation Authority  
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Francisco Bay Area Water Emergency Transportation Authority (Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated November 21, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 21, 2024, which is an integral part of our audit and should be read in conjunction with this report.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
November 21, 2024

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of the Board of Directors  
San Francisco bay Area Water Emergency Transportation Authority  
San Francisco, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited San Francisco Bay Area Water Emergency Transportation Authority (Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the business-type activities of the Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 21, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.



Pleasant Hill, California  
November 21, 2024

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**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2024-54**

**RECEIVE THE INDEPENDENT AUDITOR'S REPORTS  
FOR THE YEAR ENDING JUNE 30, 2024 AS SUBMITTED BY MAZE & ASSOCIATES**

**WHEREAS**, Section 106.6 of the WETA Administrative Code requires the preparation of annual audit reports by an independent auditor consistent with California Government Code Section 66540.54; and

**WHEREAS**, Maze & Associates is currently under contract with WETA to perform its annual audits; and

**WHEREAS**, the Independent Auditor's Reports for the fiscal year ending June 30, 2024, prepared by Maze & Associates, include the following reports: Memorandum on Internal Control and Required Communications; Basic Financial Statements; Measure B Fund Financial Statements; Measure BB Fund Financial Statements, and Single Audit Report; and

**WHEREAS**, these reports were presented to the Board at the December 12, 2024 Board of Directors meeting; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby takes action to receive the Independent Auditor's Reports for the fiscal year ending June 30, 2024 as submitted by Maze & Associates, including the following:

- a) Memorandum on Internal Control and Required Communications;
- b) Basic Financial Statements;
- c) Measure B Fund Financial Statements;
- d) Measure BB Fund Financial Statements; and
- e) Single Audit Report.

**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 December 12, 2024.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2024-54

\*\*\*END\*\*\*

MEMORANDUM

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**TO:** Board Members

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

**SUBJECT:** Authorize the Executive Director to Sign the Equity in Infrastructure Project Pledge

**Recommendation**

Authorize the Executive Director to sign the Equity in Infrastructure Project pledge.

**Background**

The Equity in Infrastructure Project (EIP) is a non-profit organization that advocates for policies that increase infrastructure contracting opportunities for historically underutilized businesses (HUB). The EIP exists to build generational wealth and reduce the racial wealth gap by improving public infrastructure contracting practices to create more prime, joint venture and equity contracting opportunities for HUBs.

A HUB is a corporation, sole proprietorship, partnership or a joint venture that is at least 51% owned by woman, minority and/or service-disabled veteran. HUB can include firms formally designated as DBES, Minority and Women-Owned Business Enterprises (M/WBE), Small Business Enterprises (SBE), and it can include any other business classification used locally in the United States intended to boost the participation of otherwise underutilized firms, which can vary by state, region, and municipality.

**Discussion**

The EIP aims to encourage public agencies to develop and share policies that create infrastructure contracting opportunities for HUBs and has a coalition consisting of over 50 agencies nationwide that have signed the EIP Pledge.

The EIP has invited San Francisco Bay Ferry (SF Bay Ferry) to join that coalition and pledge to implement a set actions and initiatives by December 2025, which consist of:

1. Increasing the number, size, and proportion of contracting opportunities going to HUBs;
2. Increasing the number, size, and proportion of contracting opportunities going to HUBs as prime contractors,
3. Streamlining the contracting process with HUBs by centralizing certification, improving payment time, and standardizing transparent data collection;
4. Increasing the amount and type of financing available to HUBs; and
5. Expanding the number of signatories to the Pledge

Participating in the EIP is consistent with, and will further goals already have promoted by, the SF Bay Ferry Board. Signing the EIP Pledge is consistent with current SF Bay Ferry policies and practices and will affirm SF Bay Ferry's commitment to increasing the number, size, and proportion of contracting opportunities going to HUBs.

**Fiscal Impact**

There is no direct fiscal impact associated with this item.

\*\*\*END\*\*\*

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2024-55**

**EQUITY IN INFRASTRUCTURE PROJECT PLEDGE**

**WHEREAS**, the non-profit Equity In Infrastructure Project (EIP) aims to encourage public agencies to develop and share policies that create infrastructure contracting opportunities for historically underutilized businesses; and

**WHEREAS**, the EIP coalition consists of over 50 agencies nation-wide that have signed the EIP Pledge; and

**WHEREAS**, participating in the EIP is consistent with, and will further goals already promoted by, the SF Bay Ferry Board; and

**WHEREAS**, signing the EIP Pledge is consistent with current SF Bay Ferry policies and practices, and will affirm SF Bay Ferry's commitment to increasing the number, size, and proportion of contracting opportunities going to historically underutilized business; now, therefore, be it

**RESOLVED**, that the Board of Directors hereby endorses the Equity in Infrastructure Project and authorizes the Executive Director to sign the Equity in Infrastructure Project Pledge on behalf of SF Bay Ferry.

**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 December 12, 2024.

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary

2024-55

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

**FROM: Seamus Murphy, Executive Director  
Timothy Hanners, Director of Project Delivery & Engineering  
Jan Rybka, Senior Project Manager**

**SUBJECT: Approve Actions Relative to RFP 24-006, 150 Passenger REEF Vessel Procurement**

**Recommendation**

Approve the following actions related to RFP 24-006, 150 Passenger REEF Vessel Procurement:

1. Subject to satisfactory completion of the FTA-required Buy America pre-award audit, approve contract award to All American Marine Inc. for the procurement of three high-speed ferries in an amount of \$46,360,287 and authorize the Executive Director to negotiate and enter into an agreement and take any other related actions as may be necessary to support this work; and
2. Approve a contract amendment to Agreement 22-008 with Aurora Marine Design to increase the not-to-exceed amount by \$1,332,240 and extend the period of performance by one year to provide support for the All American Marine contract through the end of FY28.

**Background**

This project provides for the procurement of three new 150-passenger Battery-Electric Vessels and includes an option for a fourth vessel. These will be the first new vessels to operate as part of Phase 1 of SF Bay Ferry's Rapid Electric Emissions Free (REEF) Ferry program. These vessels will provide service along new Treasure Island and Mission Bay routes as well as smaller capacity service along other electrified Central Bay routes. To comply with the California Air Resources Board Commercial Harbor Craft regulations, vessels operating on short service routes of less than three nautical miles must be zero emissions.

Extensive preliminary design work was completed in advance of solicitation for this contract to ensure that the vessels could feasibly operate on the proposed routes, at advertised speeds, while integrating with designed vessel charging infrastructure. This all-electric high speed ferry vessel with this passenger capacity will be the first to operate in North America. To minimize technical risk, the vessels' electric propulsion systems have been designed to achieve the performance standards of the MV *Medstraum* ferry vessel operating in Norway, which is similarly sized, has the same passenger capacity, and operates at similar speeds and route distances.

**Discussion**

**Procurement & Evaluation Process**

On April 11, 2024, the Board authorized staff to issue an RFP for the procurement of new 150 Passenger Battery-Electric Vessels. The RFP was released on July 12, 2024. The RFP complies with FTA's procurement requirements and SF Bay Ferry's Administrative Code procurement requirements, in which SF Bay Ferry considers both price and other factors to determine the overall best value to SF Bay Ferry. Notice of the RFP was posted to SF Bay Ferry's procurement hub, posted on SF Bay Ferry's website and the Bonfire procurement platform, and advertised in the workboat trade application and with the Passenger Vessel Association newsletter. SF Bay Ferry staff issued four addenda to the RFP clarifying the specifications set forth in the RFP and responding to pre-proposal questions.

On July 22, 2024, SF Bay Ferry hosted a non-mandatory proposers' conference. There were over twenty-five attendees at this conference, including five shipyards and six different suppliers.

Proposers were required to submit a detailed vessel Technical Proposal and a separate Price Proposal. SF Bay Ferry received three proposals by the RFP's due date of September 24, 2024 from the following shipyards:

All American Marine
Marine Group Boat Works
Nichols Brothers Boat Builders

In accordance with the RFP, SF Bay Ferry first conducted a responsiveness check and preliminary evaluation. All proposers were deemed to be responsive to the RFP's requirements. As discussed below, SF Bay Ferry staff also reviewed submissions related to the RFP's DBE project goal and deemed all proposers responsive to the DBE requirements.

The Proposal Evaluation Committee (PEC), which consisted of SF Bay Ferry staff and project management consultants, first conducted a preliminary evaluation of the three proposals. In accordance with the RFP's procedures, the PEC determined that two proposals fell within the competitive range and hence proceeded with the evaluation process with those two proposers.

The PEC requested additional information, clarifications, and modified proposals from the two proposers in the competitive range. In accordance with the RFP's procedures, the PEC also interviewed these two firms and contacted references. After this evaluation process, the PEC conducted its final evaluation, summarized below:

**Proposal Scoring Results**

Proposer	Project Understanding & Approach	Proposer's Qualifications and Experience	Qualifications & Experience of Key Personnel	Total Price	Total Score
<b>Possible Points</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>40</b>	<b>100</b>
<b>All American Marine</b>	15.5	17.5	16.8	38.4	<b>88.2</b>
<b>Nichols Brothers Boat Builders</b>	14.8	14.8	16.2	40.0	<b>85.8</b>
<b>Marine Group Boat Works</b>	13.1	13.4	13.4	31.5	<b>71.4</b>

**Price Proposal Summary**

Proposer	Price Proposal*
Nichols Brothers Boat Builders	\$59,017,487
All American Marine	\$61,519,516
Marine Group Boat Works	\$74,851,014

\* Rounded to the nearest dollar

In accordance with the RFP and FTA requirements, the Price Proposal amounts used in the evaluation include costs for three base contract vessels, all options, and an optional fourth vessel.

**Recommendation for Contract Award**

Using the RFP's evaluation criteria, All American Marine Inc (AAM). was deemed the highest ranked Proposer. AAM has been a foremost national leader in designing and providing Aluminum catamaran vessels for over 30 years. Based in a 57,000 square foot covered facility in Bellingham Washington, AAM employs over 60 dedicated shipbuilders with all major trades and equipment on-site to manage full vessel builds and outfits. They have significant experience with hybrid-electric aluminum catamarans, with 3 hybrid-electric vessels in their yard.

The PEC in particular found All American Marine's technical solution to be superior, which was indicative of its experience providing hybrid electric vessels with similar battery-electric propulsion systems. Further, its detailed analysis of weight impacts on the vessel and proposed focus to control weight growth during the shipbuilding process highlights its understanding of challenges in delivering this battery electric high speed passenger ferry. Additionally, the PEC found that All American Marine's experience working on the Sea Change vessel was a notable strength as it has experience maneuvering novel shipboard technologies through US Coast Guard review processes.

The PEC also found All American Marine's design team's qualifications impressive, with proven experience providing vessels in similar ferry operations. AAM has a 25-year exclusive partnership with the Naval Architecture firm Teknicraft Design, who specialize in high performance aluminum partially foiling and displacement catamaran vessel designs with over 200 hulls designed for operations all over the world. Their proposal included much of the

design inspiration from the proposed preliminary design in the RFP but included significant hull efficiency improvements by including Teknicraft's signature hull form. AAM's propulsor integration and preliminary resistance analysis submitted with its proposal, coupled with its detailed weight analysis, inspired strong confidence in the viability of its vessel design. Further, All American Marine has a strong reputation for managing on-time, on-budget vessels that meet operational criteria.

After determining that All American Marine was the highest ranked proposer, SF Bay Ferry entered into negotiations with All American Marine pursuant to the RFP's procedures. Through those negotiations, SF Bay Ferry has agreed upon reasonable commercial terms with All American Marine along with an approximately \$1.8 million cost reduction and five-month schedule acceleration.

Still, All American Marine's price is 90% greater than SF Bay Ferry's independent cost estimate (ICE). There are a number of factors that have contributed to this admittedly significant disparity. The ICE, originally created in 2019 and updated as the vessel sizing was increased, did not adequately take into account the significant inflation rates particular to the boat building industry since 2021. Data recently published by the U.S. Bureau of Labor Statistics shows that the U.S. shipbuilding industry vastly outpaced national inflation averages, particularly from 2021 to present day – average vessel repair and construction costs over that time have increased by 70%. Further, the ICE did not adequately address the cost implications of this technical risk associated with procuring a first-of-its-kind all battery electric fast ferry in the U.S. The proposals received showed significant design costs in engineering analysis beyond what was anticipated in the ICE. Lastly, the number of shipyards constructing aluminum small passenger vessels is quite small and the demand has skyrocketed in the last few years. The California Air Resources Board's Commercial Harbor Craft regulations are driving numerous other ferry operators in California to procure new vessels or complete extensive vessel propulsion system replacements which impact shipyard availability. Numerous other national projects to make greener vessels are underway with the market showing over 40 new vessel builds currently in the final phases of design or entering RFP stages at this time. This competitive environment was likely a significant contributor to the increased costs for this project.

Predicted schedule for AAM to deliver the new vessels is:

- Vessel 1 - Q1 2027
- Vessel 2 - Q3 2028
- Vessel 3 - Q4 2028
- Vessel 4 - Q4 2029 (if the option is exercised)

Despite the significantly higher cost of this project compared to the ICE, a review of other similar vessel projects for other agencies, as well as previous SF Bay Ferry vessel purchases show that the recommended award price is fair and reasonable as it is aligned with precedents. SF Bay Ferry's Gemini class was purchased for a similar price when inflation is accounted for. The closest analog vessels for this procurement, the *MV Medstraum* in Norway, and the *Blue Amigo Waterbus* in the Netherlands were purchased for \$16.8 million and \$15.3 million respectively when inflated to today's dollars. These prices are aligned with the \$15.43 million average vessel cost in All American Marine's proposal.

Staff recommends award of a contract to All American Marine Inc. in the amount of \$46,360,287 for three vessels. As discussed in the fiscal impact section of this report, this amount is significantly larger than the amount currently budgeted for this project (\$31.4 million). The additional funds will be allocated from WETA's RM3 capital program that was

not anticipated to be used for this project. The total budget for this project is summarized below.

**Project Budget**

<b>Total: Project Budget</b>	<b>58,407,000</b>
The total project budget includes procurement of (3) 150 Pax vessels, construction management, staff & legal time and taxes.	

This proposed contract includes an option for SF Bay Ferry to purchase a fourth vessel that is not included in this approval action. Exercising the option for a fourth vessel is at SF Bay Ferry’s discretion and will require a separate Board action.

All American Marine has certified compliance with Buy America. In accordance with FTA requirements, any Board award of a contract to All American Marine, is contingent upon completion of applicable Buy America pre-award audit requirements in accordance with 49 CFR Part 663.

**Aurora Marine Design Continued Management and Support Services**

On November 11, 2022, the Board awarded a contract to Aurora Marine Design for Engineering Support Services for a total amount of \$2,000,000. This contract has been used for concept and detailed design for the REEF program including extensive preliminary design work for the 150-Passenger REEF Vessel and the Universal Charging Floats. Staff recommends that Aurora Marine Design continue to assist with managing the process of procuring the 150 passenger vessels. Aurora Marine Design’s extensive understanding of interrelated REEF systems provides invaluable background expertise necessary to successfully manage the shipyard process. SF Bay Ferry staff, with Aurora Marine Design concurrence, estimates the additional amount needed to continue working on this project at approximately \$1,332,240, based on the current contract rates, with a one-year extension of the performance period.

**FTA Disadvantaged Business Enterprise (DBE) Project Goal**

This project is funded in part with Federal Transit Administration (FTA) funds. In 2021, staff developed the required DBE project goal for the procurement of the FTA funded zero emission vessel. Following the requirements of 49 CFR § 26.45, SF Bay Ferry analyzed the availability of DBE firms ready, willing, and able to participate in this project. FTA approved WETA’s 1.72% DBE project goal for the FTA funded zero emission vessel on January 7, 2022. This FTA-approved project goal is important for SF Bay Ferry, which is not ordinarily allowed to include a required goal on its solicitations.

Staff is pleased that All American Marine Inc. (AAM) has committed to exceed the project goal with 2.6% DBE participation and 4.3% Small Business Enterprise (SBE) participation. AAM was the only proposer to meet and exceed the 1.72% DBE project goal and was able to do so by subcontracting work to DBE firms for safety equipment purchasing, shipping services and composite repair services. This is the first time that a proposer has been able to meet, let alone exceed, a DBE project goal on one of WETA’s vessel procurements.

Aurora Marine Design committed to 3% DBE participation on Agreement 22-008, executed on November 3, 2022, which also greatly exceeds the 1.72% DBE project goal. The amendment to Agreement 22-008 will not increase or decrease the committed 3% DBE participation.

**Fiscal Impact**

*Vessel Design and Construction – 150-passenger REEF Vessels* is included in the FY2024/25 approved Capital Budget at a total cost of \$31.3 million. This budget was funded

through RM3 funds (57%) TIRCP funds (29%), FTA competitive funds (11%) and RM1 funding (3%). If approved, the new project budget would increase to \$58.4 million. Since the budget was approved, WETA was successful in competing for FTA funding of \$11.5 million for the project and staff has identified smaller additional amounts within RM1 and FTA allocations. An additional allocation of \$14.1 million from RM3 will be required to complete the funding plan. These additional funds bring the RM 3 funding to 55% of the revenue for the project, federal funds to 26%, TIRCP funds to 15% and RM1 to 4% of the total project. A subsequent action will be brought to the Board to approve the additional allocation documents that will be needed for MTC action. No change to the current year authorized spending is needed.

\*\*\*END\*\*\*

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY**

**RESOLUTION NO. 2024-56**

**APPROVE ACTIONS RELATIVE TO RFP 24-006  
150 PASSENGER REEF VESSEL PROCUREMENT**

**WHEREAS**, SF Bay Ferry has established a Rapid Electric Emissions Free Ferry Program (REEF), Phase 1 of which will provide new service to Treasure Island and Mission Bay using battery electric zero emission vessels in compliance with new CARB regulations; and

**WHEREAS**, on July 12, 2024, SF Bay Ferry issued a Request for Proposals (RFP) for new 150 Passenger Battery-Electric Vessels; and

**WHEREAS**, SF Bay Ferry followed all procedures in its Administrative Code and FTA regulations for this procurement; and

**WHEREAS**, by the RFP due date of September 24, 2024, SF Bay Ferry received three proposals from qualified shipyards in response to the RFP; and

**WHEREAS**, SF Bay Ferry established a Proposal Evaluation Committee (PEC) made up of SF Bay Ferry staff and its project consultants to evaluate the proposals; and

**WHEREAS**, the PEC has reviewed the proposals according to the RFP's evaluation criteria, and, as a result of its review recommends the award of a contract to the highest ranked proposer, All American Marine, Inc.; and

**WHEREAS**, SF Bay Ferry has entered into an agreement with Aurora Marine Design, awarded through a competitive procurement process, for engineering support services related to the REEF program and in particular related to the RFP for 150 passenger vessels, and now needs to increase and continue this work to include services during the shipyard process; now, therefore, be it

**RESOLVED**, that, subject to completion of all applicable Buy America pre-award audit requirements in accordance with 49 CFR Part 663, the Board of Directors hereby approves an agreement with All American Marine, Inc. to design, build, and deliver three new 150 passenger battery electric ferry vessels in the amount up to \$46,360,287, with an option for a fourth vessel exercisable by SF Bay Ferry only after further Board action ; and be it further

**RESOLVED**, that the Board of Directors authorizes a contract amendment to Agreement 22-008 with Aurora Marine Design to extend the term, and to increase the scope of work and the compensation by \$1,332,240 to provide management and support services related to the contract with All American Marine; and be it further

**RESOLVED**, that the Board of Directors authorizes the Executive Director to negotiate and execute a contract with All America Marine, and a contract amendment with Aurora Marine Design as specified in this resolution and to take any other related actions as may be necessary to support this work.

**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 December 12, 2024

YEA:

NAY:

ABSTAIN:

ABSENT:

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/s/ Board Secretary  
2024-56

\*\*\*END\*\*\*

**MEMORANDUM**

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**TO: Board Members**

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

**SUBJECT: WETA Disadvantaged Business Enterprise (DBE) Program Review**

**Recommendation**

There is no action associated with this informational item.

**Background**

As a recipient of federal funding from the U.S. Department of Transportation (DOT), WETA is required to have a Disadvantaged Business Enterprise (DBE) program. The DBE program is designed to remedy ongoing discrimination and the continuing effects of past discrimination in federally assisted transit contracting markets nationwide. The primary remedial goal and objective of the DBE program is to level the playing field by providing small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for federally funded transportation contracts.

DBEs are for-profit small business concerns where socially and economically disadvantaged individuals own at least 51% interest and control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis. Each state has a unified certification process for the certification of DBEs. All California transit agencies only recognize DBEs certified through the California Unified Certification Program (CUCP).

Like similar agencies, WETA has faced low DBE participation in federally funded procurements since the establishment of its DBE program for a number of reasons. WETA sets a triennial DBE participation goal in accordance with the DBE regulations and has struggled to get enough DBE participation to meet this goal over several triennial periods. In May of 2022, staff brought an informational item before the Board explaining the main factors that have contributed to low DBE participation, including:

- Limited availability of DBE firms in the trades required for vessel repair, refurbishment, vessel construction and waterside construction
- Eligible DBEs must be certified in California, a challenge for vessel projects if they are performed out of state
- Only DBE participation on federally funded contracts can count towards meeting WETA's triennial goal
- WETA programs the majority of its federal funds towards vessel replacement, refurbishment or terminal rehabilitation projects – all areas that have very low DBE availability

In response to this, the Board directed staff to explore strategies for increasing DBE participation on WETA procurements including holding a workshop focused on increasing

DBE participation in the maritime trades and conducting an independent third-party review of WETA's DBE program.

Over the last year and a half, staff has completed both of these efforts. On February 12, 2023, staff conducted the Breaking Barriers in the Maritime Industry Workshop which facilitated a dialogue between prime contractors, small firms, insurance and bonding agents, and FTA staff, to understand the barriers of entry for small firms in maritime trades and determine strategies that could be employed to overcome these barriers. In Fall of 2023, staff interviewed several consulting firms to conduct an independent review of WETA's DBE program and provide recommendations on how to increase DBE participation. Colette Holt and Associates (CHA) was selected to perform the review. The full review is provided as Attachment A.

### **Discussion**

CHA is a legal counsel and consulting firm based in San Antonio, Texas founded in 1994. Ms. Holt is a nationally recognized expert in designing, implementing, analyzing and defending affirmative action programs and has provided dozens of expert testimonies on affirmative action cases at the federal and state levels. In addition to working for public sector clients, the firm provides counsel to government vendors on compliance with federal employment and procurement regulations, including B2Gnow® which is the most widely used diversity compliance software system in the country.

CHA started the review in February 2024 by analyzing all documents and procedures associated with WETA's DBE program, interviewing staff from all departments that manage WETA procurements, and comparing WETA's program to programs of similar transit agencies. CHA's findings show that the implementation of WETA's DBE program and procurement procedures are in full compliance with all DOT requirements, and that WETA is making considerable outreach efforts and providing technical assistance to increase DBE participation on WETA contracts. The results of the review confirm that there are a very limited number of DBEs in the maritime industry in WETA's service area. Within the maritime industry, WETA's high-speed, aluminum vessel work is even more specialized than work required on other types of vessels.

CHA's review summarizes seven recommendations to improve the potential for increasing DBE participation on WETA's contracts. Staff recommends moving forward with six recommendations and an additional recommendation that was not included in the report. Staff has prepared this informational item to solicit feedback and direction from the Board to inform staff's development of a multi-year DBE Program Improvement Plan (DBEPIP) staggering the implementation of the selected recommendations and providing metrics to track success. The DBEPIP will include more definition around the cost of each recommendation and will be brought to the Board in early 2025 for approval.

A summary of the seven recommendations and a preliminary analysis of costs and benefits is provided below.

#### **Recommendation #1 - Additional Organizational Capacity**

Provide dedicated staff or consultant resources to manage the DBE program, along with compliance with Title VI of the 1964 Civil Rights Act, the Americans with Disabilities Act and other civil rights programs.

Adding organizational capacity would enhance bandwidth for outreach, trainings, ensuring compliance, developing goals, program monitoring, and other related tasks.

Staff recommends evaluating options for creating more organizational capacity as part of the DBEPIP.

**Recommendation #2 – Enhance DBE Compliance Software**

B2Gnow® is a contract data collection software that WETA recently implemented to improve vendor payment tracking and contract compliance on all federally funded WETA contracts. This system automates certain oversight functions of the DBE program such as ensuring contractors provide prompt payment to subcontractors, seamless communication with vendors, and tracking of certified firms. The DBE review recommended the purchase of two additional modules for the system to 1) streamline tracking and approving the utilization of subcontractors during bid evaluations by enabling real-time verification of DBE/SBE status, automating inclusion confirmations, and replacing manual forms, and 2) enhance vendor engagement by enabling targeted outreach, customized email campaigns, event registration, attendance tracking, and automated communication for streamlined procurement and certification events.

The estimated cost of these two modules is \$20,000 annually. The enhancements provided by these additional modules could result in greater DBE program compliance and efficiency.

**Recommendation #3 - Implement Additional Initiatives to Enhance WETA’s Race-Neutral and Small Business Elements**

Develop a protocol to consider issuing multiple contracts for projects that are federally funded by “unbundling” the procurements into less complex scopes and lower dollar values. This could make WETA's contracts more accessible to SBE and DBE firms and would provide smaller contracts that could allow DBEs to bid as primes.

This suggestion may help increase DBE participation but it also has potential downsides. Unbundling contracts would increase the number of contracts and associated contract management costs. It could also likely increase the overall cost of a project due to the duplication of inputs such as insurance, mobilization, site management, administration, and various other variables. Unbundling vessel specific contracts could also make these procurements less financially attractive to shipyards and result in higher shipyard costs. Additionally, the quality of vessel-specific projects could suffer because of the greater number of contractors working on the same project, potentially causing coordination issues.

Based on these concerns, staff recommends developing a protocol to consider unbundling certain federally funded contracts, *excluding* vessel specific contracts, if there is an anticipated benefit of over 10% DBE availability for the specific type of work included in the contract.

**Recommendation #4 – Revise WETA’s SBE Program**

The DBE review recommended revising WETA’s current SBE program to avoid including both DBE and SBE goals. WETA’s DBE program currently encourages proposers to meet both goals. While technically permissible, this approach can cannibalize already low DBE participation. Since all DBEs will meet the SBE size limits, DBEs are forced to compete for limited subcontracting opportunities with firms that are not disadvantaged. An SBE goal should only be specified if WETA determines there is insufficient DBE availability for the work included in a particular contract.

### **Recommendation #5 - Perform Additional Targeted Outreach**

Perform additional outreach to:

- Facilitate networking between certified firms, potential DBEs, and potential contractors
- Create a list of DBEs and SBEs that have expressed interest in doing agency work
- Survey prime vendors and their subcontractors, as well as DBEs, about their experiences in seeking WETA work
- Provide additional DBE training and development assistance
- Require all proposers bidding on WETA contracts to attend a DBE specific pre-bid meeting to review WETA's DBE program requirements and navigation of our B2Gnow® contract compliance system

The recommended tasks for targeted outreach would provide a greater understanding of the challenges firms face concerning DBE participation and could potentially increase the number of firms educated and trained on how to become certified and win contracts as a DBE.

### **Recommendation #6 - Expand the Focus of the Working Waterfront Coalition**

WETA is a member of the Working Waterfront Coalition ("WWC"). The WWC is an industry-led workforce development initiative inclusive of unions, workforce boards, and community groups, aiming to establish a skilled workforce pipeline and address the shortage of maritime professionals crucial for the operation and expansion of comprehensive regional ferry service. The WWC focuses on recruiting and training a new generation of workers via innovative outreach targeted at low income and disadvantaged communities as well as re-entry populations.

The DBE review recommended working within the WWC to:

1. Implement coordinated outreach campaigns for WWC members' contracting opportunities and training for DBEs and potential DBEs about how to do business with the member organizations.
2. Develop a mentor-protégé program to assist DBEs to participate in the maritime industry which could provide benefits to contractors who participate, such as additional scoring during procurement for more favorable odds of winning a contract. A mentor-protégé program would provide DBEs and potential DBE firms knowledge on what a shipyard is looking for in a subcontractor and how to effectively win subcontracts.
3. Partner with other Coalition members, as well as other Bay Area governments or marine agencies in other jurisdictions, to create a small contractor development program, which would implement a full-service supportive services program to provide wide ranging support to certified firms and marine workforce development, including:
  - Individual contractor assessment and technical assistance
  - Support targeted education and training to foster development of marine-related workforce

- Educational activities to develop interest and promote participation in marine careers
- Networking with prime contractors and support for mentor-protégé relationships
- Facilitated referrals

This recommendation has the potential to accomplish several actions:

- Provide full-service business development for individuals already trained to perform work in the maritime industry through the WWC workforce development
- Provide incentive on WETA procurements for shipyards that participate in mentor protégé or small contractor development programs through the WWC
- Create and bolster small business and DBEs in the maritime industry

### **Recommendation 7: Seek Approval from FTA to Set Project Goals for Non-Maritime Specific Shoreside Electrification Projects**

In addition to the recommendations included in CHA's review, staff also recommends seeking FTA's approval to set a DBE project goal for shoreside electrification projects that do not include maritime specific work.

In the past, WETA has not been able to meet its annual DBE goal because most of WETA's federally funded contracts have been focused on maritime waterside construction or vessel procurements – two areas that have very low DBE availability. Now that WETA is preparing to implement a suite of shoreside electrification projects that can be performed by professional services providers and contractors that are not maritime specific, there is an opportunity to potentially secure more DBEs to participate on WETA's contracts. By establishing a DBE project goal, proposers will be *required* to meet the DBE goal or show detailed good faith efforts proving that they took all reasonable actions to try to meet the goal.

Staff recommends consulting with FTA to get approval to move forward with developing a DBE project goal for this specific type of work. Staff anticipates that this process would take 2-3 months to get a goal approved by FTA so that it can be included in solicitation documents for these projects.

After analyzing the feasibility of recommendations, staff advises against one of the recommendations included in CHA's review – creating an owner controlled United States Longshoreman and Harbor Workers (USL&H) insurance program. USL&H insurance is a federal workers compensation law that applies to maritime employees who work on or over navigable waters in or adjacent to the United States. It is required for most if not all work on vessel specific and waterside construction projects. Obtaining USL&H insurance is costly and has been cited by small firms as a barrier to getting involved in the marine trades. Owner-controlled insurance policies can be a strategy for decreasing contractor or subcontractor insurance costs for certain projects. The DBE review recommended investigating the feasibility of an owner-controlled insurance policy for USL&H insurance.

Based on consultation with three marine insurance brokers, while technically feasible, there are no known examples of an owner-controlled USL&H insurance policy that currently exist. An owner-controlled USL&H policy providing coverage for all firms working on a particular

project would cost \$5,000-\$10,000 in minimum premium *per employee covered*, with an average employer liability of \$1,000,000 per incident.

WETA would be financially liable for covering costs arising from incidents that occur with contractor or subcontractor (non-WETA) employees covered by WETA's owner-controlled USL&H policy. Staff proposes to exclude this recommendation from the DBEPIP for these reasons.

**Conclusion/Next Steps:**

Following input from the Board, staff will develop a DBEPIP which will incorporate the viable recommendations with a staggered implementation and specific cost information. The DBEPIP would be a multi-year plan that will have metrics for tracking the progress of implementing the proposed recommendations, the results of which would be reported to the Board annually. Staff anticipates bringing the DBEPIP before the Board in early 2025.

**Fiscal Impact**

There is no direct fiscal impact associated with this item. Most recommendations would require additional financial resources such as salaries and benefits, increased professional services, and increased capital costs as outlined in the discussion.

\*\*\*END\*\*\*

**DISADVANTAGED BUSINESS  
ENTERPRISE PROGRAM REVIEW AND  
RECOMMENDATIONS  
FOR THE  
SAN FRANCISCO WATER EMERGENCY  
TRANSPORTATION AUTHORITY  
  
2024**

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# I. INDEPENDENT REVIEW OF SAN FRANCISCO WATER EMERGENCY TRANSPORTATION AUTHORITY'S DBE PROGRAM

The San Francisco Bay Area Water Emergency Transportation Authority (“WETA”) is a government transportation agency that operates passenger ferry service on the San Francisco Bay. WETA was established in 2007 as a successor to the San Francisco Bay Water Transit Authority. WETA’s mission is to run a consolidated regional ferry system that can also respond to disasters that prevent the flow of traffic in and out of San Francisco.

As a recipient of U.S. Department of Transportation (“USDOT”) funds through the Federal Transit Administration (“FTA”) and the Federal Highway Administration (“FHWA”), WETA is required as a condition of receipt to implement a Disadvantaged Business

Enterprise (“DBE”) program in compliance with 49 C.F.R. Part 26.<sup>1</sup> WETA’s DBE program only applies to its federally funded contracts.<sup>2</sup>

The DBE program prohibits discrimination in DOT assisted contracting and encourages the use of DBEs and small businesses (“SBEs”). A recipient must:

- Keep and report various data to USDOT, including the utilization of DBEs on its federal-aid contracts and create a bidders list of all firms bidding to WETA as prime contractors and firms bidding to those prime contractors as subcontractors.<sup>3</sup>
- Adopt a non-discrimination policy statement.<sup>4</sup>
- Appoint a DBE Liaison Officer (“DBELO”), with substantial responsibilities and direct reporting to the chief executive office of the agency.<sup>5</sup>

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1. 49 C.F.R. §26.3 (To whom does this part apply?) and §26.21 (Who must have a DBE program?).  
2. California’s Proposition 209, passed in 1996, prohibits public agencies from granting preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in public contracting.  
3. 49 C.F.R. §26.11 (What records do recipients keep and report?).  
4. 49 C.F.R. §26.23 (What is the requirement for a policy statement?).  
5. 49 C.F.R. §26.25 (What is the requirement for a liaison officer?).

- Make efforts to utilize DBE financial institutions.<sup>6</sup>
- Adopt a prompt payment mechanism for its prime contractors and for the prompt payment of subcontractors by prime contractors.<sup>7</sup>
- Create and maintain a DBE directory.
- Address possible overconcentration of DBEs in certain types of work.<sup>8</sup>
- Include elements to assist small businesses.<sup>9</sup>

## **A. WETA’s Disadvantaged Business Enterprise Program Administration and Objectives**

WETA is governed by a Board of Directors that are responsible for establishing its DBE policy. The Executive Director of WETA oversees adherence to this policy. The DBE Program Administrator and Government & Regulatory Affairs Manager serves as the DBELO and is responsible for administering and coordinating all aspects of the DBE program. The DBELO has direct, independent access to WETA’s Executive Director.

WETA’s Government & Regulatory Affairs Office (“Office”) is staffed by two employees, the Government & Regulatory Affairs Manager and a Government & Regulatory Affairs Specialist. The Office is responsible for, among other duties, establishing the DBE triennial goal and setting DBE contract goals; identifying mechanisms to improve progress towards creating a level playing field for DBEs to compete fairly for WETA’s construction, procurement and professional services contracts and subcontracts; conducting internal and external assessments and reviews of DBE program activities and coordinating enforcement action; and advising the marine engineering, planning and development project managers and others who are responsible for making decisions relative to the Authority’s construction, procurement and professional service contracts.

WETA’s 2016 revised DBE Plan, Diversity in Contracting, was updated and submitted to the FTA in 2020. WETA has set the following objectives for its DBE program:

- To remove barriers to DBE participation in the bidding, award and administration of Authority contracts.
- To assist DBEs to develop and compete successfully outside of the Program.

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6. 49 C.F.R. §26.27 (What efforts must recipients make concerning DBE financial institutions?).

7. 49 C.F.R. §26.29 (What prompt payment mechanisms must recipients have?).

8. 49 C.F.R. §26.33 (What steps must a recipient take to address overconcentration of DBEs in certain types of work?).

9. 49 C.F.R. §26.39 (Fostering small business participation).

- To ensure that the Program is narrowly tailored in accordance with 49 C.F.R. Part 26.
- To ensure that only DBEs meeting the eligibility requirements are permitted to participate as DBEs.
- To identify business enterprises that are eligible as DBEs to provide the Authority with required materials, equipment, supplies and services; and to develop a good rapport with the owners, managers and sales representatives of those enterprises.
- To develop communication programs and procedures which will acquaint prospective DBEs with the Authority’s contract procedures, activities and requirements and allow DBEs to provide the Authority with feedback on existing barriers to participation and effective procedures to eliminate those barriers.
- To administer the Program in close coordination with various managers and staff within the Authority so as to facilitate the successful implementation of this Program.

## 1. DBE Program Eligibility

WETA is not a certifying agency and only accepts DBE firms certified through the California Unified Certification Program (“CUCP”). WETA is a signatory to the CUCP Memorandum of Agreement.<sup>10</sup>

A DBE is defined as a for-profit small business concern that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51% of the stock is owned by one or more such individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own the corporation. Members of the groups designated in the DBE regulations are presumptively socially and economically disadvantaged.<sup>11</sup> The individual applicant must meet the limits for personal net worth, currently \$1.32M.<sup>12</sup> A firm must also meet the size limits for its industry category.<sup>13</sup>

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10. 49 C.F.R. §26.31 (What information must you include in your DBE Directory?).

11. Citizens of the United States, or lawfully admitted permanent residents who are women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans or other minorities found to be disadvantaged by the U.S. Small Business Administration, are presumed to be socially and economically disadvantaged. Applicants must submit a signed, notarized certification that the applicant is, in fact, socially and economically disadvantaged. 49 C.F.R. §26.67(a)(1).

12. 49 C.F.R. §26.67(a)(2)(i).

13. 49 C.F.R. §26.65.

## 2. WETA's Triennial Disadvantaged Business Enterprise Goal

For Federal Fiscal Years (“FFYs”) 2023 through 2025, WETA has developed a 0.48% DBE goal for FTA assisted contracts, with 100% of the goal to be achieved through race-neutral measures and 0% through race-conscious contract goals. This overall triennial goal reflects the relative availability of ready, willing and able DBEs relative to all comparable businesses that are likely to be available to compete for WETA's FTA assisted contracts (except for new vessel construction projects). WETA established its goal by conducting a DBE availability analysis consisting of forecasting all FTA assisted contracts that are expected to be awarded in the next three-year period; determining the areas of work that will be included in these contracts; and then comparing the number of certified DBE firms available to perform in each of these areas to the number of non-DBE firms available to perform the same work. WETA's DBE goal was approved by the FTA in November 2022.

The DBE program requires WETA to set a separate DBE project goal for contracts associated with new vessel procurements or meet goals set through the Transit Vehicle Manufacturer (“TVM”) certified shipyard's DBE program. Generally, FTA recipients may only award FTA assisted contracts to eligible TVMs.

## 3. DBE Solicitation Process and Procedures

WETA only sets DBE project goals on its vessel procurement projects. On November 3, 2014, the FTA released revised regulations for 49 CFR part 26. Prior to 2014, WETA had historically included new vessel procurements as a part of the development of its overall triennial DBE goal. However, as the result of the 2014 changes, new ferry procurement projects fall under FTA's TVM requirements, limiting bidders to FTA certified TVMs. Because there are no shipyards that are registered as TVMs, WETA prepares an analysis and requests FTA approval to establish a project specific DBE goal for vessel procurement projects in lieu of limiting proposers to certified TVMs. Following the requirements of 49 CFR §26.45(c), WETA conducts an analysis of the availability of DBE firms for a vessel procurement projects. FTA has approved WETA's methodology for three vessel procurement projects since 2016.

WETA ordinarily does not meet its overall DBE goal through race-conscious measures, such as contract goals, due to the legal restrictions that apply to the use of such measures.

For other procurements, the overall DBE triennial goal is published in the solicitation document and communicated during the prebid conference. Primes offerors are encouraged to use DBEs by consulting the CUCP DBE<sup>14</sup> database

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14. <https://caltrans.dbesystem.com/>.

of certified DBE firms to find certified DBE firms to meet the DBE goal and contracting requirements. DBEs must be certified with the CUCP at the time of contract award.

All bidders are required to register as a vendor and submit bids and proposals through WETA's Bonfire Electronic Procurement Submittal System. Prime offerors are required to submit several forms listing subcontractors and subconsultants, including DBEs and SBEs. The forms require information about bids, quotes or proposals received from DBEs and SBEs and the prime offeror's good faith efforts to encourage DBE and SBE participation. WETA announces a date that the forms are due, which typically falls on the same date as the bid or proposal closing. Prime offerors failing to provide all information requested in the prescribed timeframe do not move to the next step in the bid process but can still be considered if they submit the necessary forms within a reasonable time set by the project manager in consultation with the DBE program specialist.

Prime contractors and consultants must complete and submit the following forms:

- The Prime Contractor/Consultant and Subcontractor/Subconsultant/Supplier Report form which documents all subcontractors/subconsultants/suppliers that provided a bid, quote, or proposal for work, services or supplies. All subproposers regardless of tier and their acceptance or rejection must be reported. Specific information reported on the form includes DBE/SBE certification, certifying agency and number, description of work and associated NAICS codes, the percentage of contract participation and the percentage of DBE and SBE participation.
- An "Intent to Perform" letter signed by each subcontractor who will perform work if the contract is awarded.
- SBE Affidavit of Size form with the firm's certification information if the firm is certified as SBE.
- Description of Selection Process of Subcontractors/Subconsultants, Suppliers
- Form providing a narrative of the good faith efforts conducted by the prime to find DBE and SBE subcontractors. All subcontractors are documented on this form regardless of acceptance and subcontracting tier. Information reported includes:
  - Solicitation of small businesses, including DBEs, to participate through all reasonable and available means.
  - Selection of portions of the work that are economically feasible for small businesses, including DBEs.

- Provision of adequate information about plans, specifications and requirements in a timely manner to small businesses, including DBEs.
- Negotiation in good faith with small business concerns, including DBEs.
- Demonstration that small business concerns, including DBEs, were not rejected as unqualified without sound business reasons.
- Demonstration that efforts were made to assist small business concerns, including DBEs, in obtaining required bonding, lines of credit, or insurance.
- Demonstration of efforts to assist small business concerns, including DBEs, in obtaining necessary equipment, supplies or materials.
- Description of any other steps that the Offeror used to select its subcontractors/subconsultants/suppliers.

#### **4. Contract Compliance and Monitoring Procedures**

Prime contractors must agree to a non-discrimination Contract Assurance provision when hiring subcontractors or subconsultants in the performance of the contract.

The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 C.F.R. Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to: (1) Withholding monthly progress payments; (2) Assessing sanctions; (3) Liquidated damages; and/or (4) Disqualifying the contractor from future bidding as nonresponsible.

Prime contractors not meeting contractual participation commitments will be contacted to discuss why the commitment is not achieved. WETA does not impose sanctions on contractors failing to meet their commitments.

WETA monitors compliance of its contractors on federally assisted contracts with the DBE program requirements. WETA may impose contract remedies available under federal, state and local law and regulations for non-compliance. Remedies can include, but are not limited to, withholding of progress payments and contract retentions, imposition of liquidated damages, and termination of the contract in whole or in part.

WETA adheres to prompt payment requirements. Contractors are required to pay their subcontractors no later than 30 days after the contractor receives payment for that work from WETA. When retainage is required, contractors must pay the retainage owed to subcontractors no later than 30 days after the Contractor's receipt of payment for that work from WETA.

## 5. Data Collection

As required under 49 C.F.R. §26.11, WETA maintains a bidders list of all bidders (successful and unsuccessful) on federally assisted contracts.

WETA has very recently installed the B2Gnow® data collection system to track utilization and payments to subcontractors, including DBEs and SBEs. The Authority is currently collecting the following variables to monitor and assess the performance of all subcontractors, including DBEs and SBEs. These data are also collected for prime contractors.

Variables currently tracked include the following:

- Contract number
- Contract description
- Contractor role
- Company name
- Street address
- City
- State
- Zip
- Contact name
- Contact email address
- Contact telephone number
- Ethnicity/Race/Gender of firm ownership, publicly held/not-for-profit
- Contract industry
- Funding source
- Contract award amount
- Total paid to date
- Work/description of services performed on the contract

- Contract start and end dates

## **B. Race- and Gender-Neutral Program Measures**

### **1. Small Business Enterprise Element**

To meet the requirement of §26.39, Small Business Participation, WETA has established a race-neutral Small Business Program to achieve small business participation, including disadvantaged business participation, on particular contracts with subcontracting opportunities. This SBE element applies to all federally funded WETA contracts where race-neutral methods are employed. Race-neutral means a measure or program that can be used to assist all small businesses; it includes gender-neutrality. In contrast, race-conscious means a measure or program that is focused specifically on assisting only DBEs, including woman-owned DBEs.<sup>15</sup>

Under WETA’s program, DBEs are by definition considered to be SBEs and are covered in all references to SBEs. WETA accepts SBE certifications from the following:

- SBE/MBE/WBE Certification by any California county or local government certifying agency, Small Minority Business Enterprises (“SMBEs”) and Small Women Business Enterprises (“SWBEs”) certification by states other than California, and SBA 8(a) certification by the Small Business Administration as long as the firm’s average annual gross receipts fall below the SBA industry-specific size cap and in no case exceed \$30.72M, per the DBE program regulation.
- Small Business Certification by the California Department of General Services, as long as the firm’s annual gross receipts fall below the SBA industry-specific size cap and in no case exceed \$16M.

### **2. Small Business Contracting Initiatives**

WETA has developed initiatives to eliminate obstacles for SBEs to participate as prime contractors or subcontractors in its procurement activities.

- Ensuring that bidding and contract requirements facilitate participation by DBEs and other small businesses by incorporating DBE language throughout WETA’s bid documents, including WETA’s DBE Program policy.

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15. 49 C.F.R. §26.5 (What do the terms used in this part mean?).

- Requiring a nondiscrimination assurance from the contractor (and each subcontract the prime contractor signs with a subcontractor).
- Encouraging prime contractors to use financial institutions owned and controlled by socially and economically disadvantaged individuals in the community.
- Including a link on WETA’s website for the DBE directory identifying all firms eligible to participate as DBEs in WETA’s program.
- Ensuring contracts are accessible to small businesses, and if not, making efforts to unbundle large contracts to make them more accessible.
- Encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves.
- Providing technical assistance and other support services to facilitate consideration of DBEs and other small businesses, including DBE certification workshops and meet the buyers and meet the primes events offered through the Business Outreach Committee (“BOC”), a consortium of over 26 Bay Area transit and transportation agencies formed to maximize outreach efforts to DBEs and SBEs.
- Providing information at pre-bid conferences to prospective contractors/consultants as to applicable small business/DBE requirements including DBE database websites, resources and answering any questions.
- Providing an email service to firms interested in receiving notification when WETA posts new contracting opportunities on its website.
- Providing an online networking list for prospective prime and subcontractors for large construction contracts to promote networking well in advance of pre-bid meetings.

WETA has developed a 7.5% SBE goal applicable to FFYs 2023 through 2025 contracting opportunities on FTA assisted contracts. The SBE goal identifies the relative availability of SBEs, based on evidence of ready, willing and able SBEs in relationship to all comparable businesses that are likely to be available to compete for WETA’s FTA assisted contracts. To determine the number of SBEs in WETA’s market area, staff searched the CUCP database for DBEs (all DBEs are considered SBEs), SMBEs and SWBEs certified in the NAICS codes identified for the prime contracts and subcontracts. In addition, staff consulted the Department of General Services database to find the number of SBEs certified by the California Department of General Services.

### 3. DBE and SBE Outreach

WETA works closely with the BOC.

- It participates in the BOC's four annual events focused on increasing DBE and SBE participation. These include DBE certification workshops, meet the buyers and meet the primes events, and professional services networking and technical training workshops.
- The BOC publishes a quarterly newsletter that is posted on WETA's website that advertises upcoming contracting opportunities for each BOC member agency, as well upcoming BOC events and workshops, tips on how to submit successful bids, and contact information for WETA's DBE program administrators. The newsletter is distributed to 7,900 DBE and non-DBE firms and posted on other BOC agencies' websites.
- The BOC conducts additional outreach during the DBE triennial goal setting process for USDOT recipient members. The BOC holds consultation meetings with trade and business organizations as well as DBE firms to gather feedback on proposed goals, including WETA's proposed DBE triennial goal.

Outreach to DBEs and small firms is WETA's primary strategy for increasing DBE and SBE participation in its contracts.

WETA regularly holds pre-bid meetings; posts advertisements and written notices; and contacts agencies, organizations or groups to assist in recruiting and using DBE and small businesses for participation in the Authority's projects. Vendors can sign up using an online form to automatically receive WETA notices about procurement opportunities, upcoming Board meetings, business outreach, WETA's Full Speed Ahead newsletter and job opportunities.

WETA's website offers DBE and SBE program information, including links to its current DBE plan updated in 2020; WETA's Diversity Program for Contracts Policy Statement; and the Code of Federal Regulations governing the DBE program. A Q&A with information about how to find DBEs, how to become a DBE and the CUCP Certification program is posted on the site.

In October of 2022, WETA hosted a webinar with the Golden Gate Bridge and Highway Transportation District ("GGBHTD") to obtain public comments from the business community on the proposed DBE project goal for an upcoming vessel procurement, as required by FTA regulations, and provided an overview of the agencies' upcoming vessel procurement projects and technical specifications. This webinar facilitated the exchange of information between participating prime and subcontractors. A Prime and Subcontractor Networking List was also developed to facilitate direct networking between prospective prime firms and prospec-

tive subcontractors in an effort to increase subcontracting opportunities for all firms in attendance.

In February 2023, WETA co-hosted another workshop with GGBHTD about breaking barriers in the marine industry. Forty-five firms participated, including DBEs and small firms. The workshop offered presentations by WETA and G NormalGBHTD, the FTA and underwriters of marine insurance on topics such as USDOT's DBE program requirements as applied to Transit Vehicle Procurements, FTA's Buy America requirements and the various types of marine insurance coverage.

The workshop provided firms with resources to assist them with meeting program and certification requirements, solicitation and contract development and in obtaining insurance. The workshop flyer, presentation and recording are posted to WETA's website.

## **C. Workforce Development Initiative**

WETA works with the Working Waterfront Coalition, an industry-led workforce development initiative inclusive of unions, workforce boards, and community groups. WETA is currently supporting the Working Waterfront Coalition's launch of a paid apprenticeship program to engage younger populations to develop a skilled workforce pipeline and address the shortage of maritime professionals. The initiative is targeted to recruiting and training a new generation of workers in low income and disadvantaged communities as well as re-entry populations. A full suite of wrap-around services will be offered to ensure the success of the participants. These services include access to child-care, nutrition assistance, general resources, soft skill development and legal assistance. A website will host information on the various types of maritime jobs available in the bay area, advertise open positions, and how to get involved in the maritime industry. The first apprentice class of twenty-five individuals will graduate on November 15, 2024.

WETA is collaborating with the Port of San Francisco and Golden Gate Ferry to leverage the initiative to improve and expand engagement with SBE and DBE businesses.

## **D. Staff Training**

WETA's Government & Regulatory Affairs staff attends several training classes throughout the year. These include FTA annual training classes, the National Training Institute and B2Gnow® Diversity Management System User Training.



## II. RECOMMENDATIONS FOR THE SAN FRANCISCO WATER EMERGENCY TRANSPORTATION AUTHORITY DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

To assist the San Francisco Bay Area Water Emergency Transportation Authority (“WETA”) to review its current Disadvantaged Business Enterprise (“DBE”) program and its efforts and increase the inclusion of DBE and Small Business Enterprises (“SBEs”), we undertook a thorough review of the agency’s current DBE program. We reviewed documents; interviewed WETA staff with contracting and procurement responsibilities; and benchmarked the agency’s current efforts against the DBE program regulations, U.S. Department of Transportation (“USDOT”) Guidance and national best practices.

Based on our review, we make the following recommendations.

### A. Provide Additional Staff Resources and Support

WETA has made great strides in enhancing and supporting its business diversity efforts. However, more staff resources and support are needed to facilitate program implementation and potentially increase DBE and SBE participation. We recommend the following enhancements:

- Create a position to manage the DBE program, along with compliance with Title VI of the 1964 Civil Rights Act and the Americans with Disabilities Act and other civil rights programs and government affairs. The current staff in the Government & Regulatory Affairs Office (“Office”) consists of two employees, who have other duties in addition to managing the DBE and SBE program. The need for additional outreach, such as providing trainings, regularly attending DBE and minority and woman business group and industry meetings and events, answering questions from certified firms; reviewing compliance with

DBE program requirements; developing goals; program monitoring; and other tasks is too much to add onto existing department employees.

- Enhance the existing B2Gnow® electronic contract data collection system. Standardizing and systematizing data collection and better recordkeeping will free up staff resources to focus on enhancing the DBE program and create additional efficiencies to comply with FTA mandates, respond to FTA triennial reviews, and prepare the triennial goal and consider setting DBE contract goals on specific solicitations. In addition, the following functionality should be considered for future implementation:
  - Subcontractor Utilization Plan capture for prime contractor submission of subcontractor utilization plans, including real-time verification of DBE certification status and North American Industry Classification System codes, and proposed utilization/goal validation.
  - Outreach tools for eBlasts and related communications, and event management for tracking registration and attendance.

## **B. Increase Race-Neutral and Small Business Elements**

The DBE program requires WETA to have a small business element that is race-neutral. While the agency has implemented an entirely race-neutral DBE program, some additional components might help to increase DBE participation and reduce barriers to small firms' ability to work on FTA funded contracts.

- Implement additional initiatives focusing on small businesses. Elements could include targeted outreach and events to facilitate networking between certified firms, potential DBEs, and potential contractors. contract unbundling so that firms can gain hands-on experience with WETA by performing on smaller projects, a quick pay program and a mentor-protégé program. DBE training and development assistance would help attract new firms to participate in WETA procurements.
- Do not include both an overall DBE goal and an overall SBE goal on the same contract. While technically permissible, this approach will only serve to cannibalize already low DBE participation. Since all DBEs will meet the SBE size limits, this only means that DBEs will be forced to compete for limited subcontracting opportunities with firms that are not disadvantaged. If WETA determines there is insufficient DBE availability for the particular work included in a contract, only then should an overall SBE goal be considered. Due to the low availability of DBEs, this alternative option may apply to most WETA contracts. WETA should revise its SBE element to only set overall SBE goals when there is insufficient DBE availability.

- Develop a protocol to consider whether to unbundle projects, excluding those for vessel procurements, into less complex scopes and lower dollar values. Some possible areas to consider are smaller contracts to provide plumbing, design-build consulting services, shoreside electrical work and utility services, maintenance and landscaping contracts and smaller design services contracts.
- Create a list of DBEs and SBEs that have expressed interest in doing agency work or been listed on a bid or proposal. This will assist WETA to comply with the newly revised DBE program requirements for the creation of a bidders list under 49 C.F.R. §26.11(c). Information on the bidders list can be used to set goals for the overall program and to evaluate how well the program is meeting objectives.
- Survey prime vendors and their subcontractors, as well as DBEs, about their experiences in seeking WETA work. The survey can be conducted using B2Gnow system and should include topics such as obstacles to obtaining agency prime contracts and subcontracts and enhancements that would assist firms to be successful on WETA projects.
- Consider creating an owner-controlled insurance policy for United States Longshoremen and Harbor Workers insurance. It is our understanding that this insurance is very expensive and absolutely essential, for both prime contractors and any subcontractors, to work on any vessel. This is likely a significant barrier to DBEs expanding into this type of work. Perhaps WETA can work with the issuer to develop a mechanism to cover all firms working on a project, or perhaps even all eligible WETA projects. WETA might reach out to the Public Ferry Coalition to learn what other marine agencies are doing and explore strategies to address this critical need.

## **C. Expand the Focus of the Working Waterfront Coalition**

WETA is a member of the Working Waterfront Coalition (“WWC”). WWC is an industry-led workforce development initiative inclusive of unions, workforce boards, and community groups, aiming to establish a skilled workforce pipeline and address the shortage of maritime professionals crucial for the operation and expansion of comprehensive regional ferry service. WWC focuses on recruiting and training a new generation of workers via innovative outreach targeted at low income and disadvantaged communities as well as re-entry populations. Particular emphasis is placed on assisting applicants in navigating complex applications and credentialing procedures that are required to work independently in most maritime positions.

We suggest that WETA approach the other Coalition members about expanding the focus to include developing and supporting minority and woman businesses in the maritime industry. The development of disadvantaged entrepreneurs is another element of reducing barriers and expanding inclusion in the maritime industry. Employers are a necessary part of any employment focused initiative, and increasing the diversity of the pool of people who hire can support increasing the diversity of the people that are hired.

## **1. Coordinate Outreach and Training to DBEs and Potential DBEs**

One initiative that could be implemented immediately with Coalition members is coordinated outreach campaigns for members' contracting opportunities and trainings for DBEs and potential DBEs about how to do business with the member organizations. This would give WETA access to a wider pool of DBEs and potential DBEs, through the advantage of combined resources. Education and technical training could be focused on existing certified firms to expand their capabilities into marine work and develop skills necessary to perform in fields where DBE participation has been historically low.

## **2. Adopt a Mentor-Protégé Program to Assist DBEs to Participate in the Maritime Industry**

WETA should consider establishing a mentor-protégé consortium program for member agencies to support the entry and development of DBEs who want to participate on projects in the marine industry.<sup>16</sup> A mentor-protégé Program can be an effective tool to create more DBE capacity while building a skilled maritime professional workforce. The great majority of business owners first start in their industry as workers, so increasing the capacity of disadvantaged firms can lead to the creation of more opportunities for groups historically excluded from marine work. This effort would encourage shipyards and larger firms to serve as mentors. Current DBEs could be surveyed for their interest in participating and to match them with appropriate mentors. However, the program must have defined milestones and metrics and the results must be tracked and monitored to ensure that the DBE remains independent and that all parties' objectives are being achieved. We note that this will require more staff than is currently available.

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16. The DBE program regulations provide for this approach. See 49 C.F.R. § 26.35(b) and Appendix D, Mentor-Protégé Guidelines.

### 3. Create a Small Contractor Development Program

Difficulties in obtaining construction surety bonds are reported to be barriers by DBEs everywhere. Our interviews with hundreds of firms across the country conducted during our disparity studies establish that firms, regardless of construction subindustry, need more access to sources of working and long-term capital and bonding. This is especially true in an industry as specialized, capital intensive and high risk as marine work.

As a small agency, WETA lacks the resources to implement a small contractor development program on its own. We therefore recommend that WETA partner with other Coalition members, as well as other Bay area governments<sup>17</sup> or other marine agencies in other jurisdictions, to implement a full-service supportive services program to provide wide ranging support to certified firms and marine workforce development.

Assistance could consist of individual contractor assessment and technical assistance; support targeted education and training to foster development of marine-related workforce; education activities, including outreach, to develop interest and promote participation in marine careers; networking with prime contractors and support for mentor-protégé relationships; facilitated referrals to specific resources; information about project opportunities; bond collateral support and contract finance assistance; and project risk identification and mitigation assessment tools.

## D. Develop Performance Measures for Increased DBE Program Success

WETA should develop quantitative performance measures to evaluate the effectiveness of various approaches in reducing systemic barriers and increasing DBE and SBE participation on its projects. Possible benchmarks might be increased DBE utilization; increased variety in the subindustries in which DBEs are awarded prime contracts and subcontracts; increased numbers of DBEs submitting bids to WETA; and increased numbers of DBEs submitting quotes to WETA's prime contractors.

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17. The City of Oakland is already implementing an initial version of this approach. <https://www.oaklandca.gov/news/small-low-income-contracting-business-support-programs-launched>. The City and County of San Francisco has a Surety bond Assistance Program. <https://www.sf.gov/information/surety-bond-assistance-program>.

