

Members of the Board

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Monique Moyer, Vice Chair
Jessica Alba
Pippin Dew
Michael Henneberry

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

Thursday, December 11, 2025 at 1:00 p.m.

**Bay Area Metro Center
Board Room – 1st Floor
375 Beale Street
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. Treasure Island AHSC Seaplane
 - b. Review of Financial Statements
 - c. Federal Legislative Report
 - d. State Legislative Report
 - e. Ridership Report
 - f. Service Reliability Report
 - g. Regional Transit Survey Results
6. CONSENT CALENDAR **Action**
 - a. Approve Board Meeting Minutes – November 13, 2025

**San Francisco Bay Ferry / Water Emergency Transportation Authority
December 11, 2025 Meeting of the Board of Directors**

- | | | |
|-----|---|--------------------|
| 7. | <u>RECEIVE THE INDEPENDENT AUDITOR'S REPORTS FOR THE FISCAL YEAR ENDING JUNE 30, 2025</u> | Action |
| 8. | <u>APPROVE CONTRACT AWARD TO TRITIUM POWER SOLUTIONS INC. FOR THE PROCUREMENT OF TWO FLOAT-MOUNTED CHARGING SYSTEMS</u> | Action |
| 9. | <u>SOUTH SAN FRANCISCO SERVICE STUDY UPDATE</u> | Information |
| 10. | <u>2050 BUSINESS PLAN UPDATE</u> | Information |
| 11. | <u>PUBLIC COMMENTS FOR NON-AGENDA ITEMS</u> | |

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@sfbayferry.com 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@sfbayferry.com 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: Board Members

FROM: Seamus Murphy, Executive Director

DATE: December 11, 2025

RE: Executive Director's Report

Affordable Housing and Sustainable Communities Grant Award

This program is administered by the State of California Strategic Growth Council and funds projects combining affordable housing and transportation to reduce greenhouse gas emissions. In May 2025, SF Bay Ferry partnered with the MidPen Housing Corporation and the City of Alameda to submit a grant application for the Stardust Gardens project. The housing component of the project features an 80-unit affordable housing development for families located at Alameda Point, which is part of the first phase of the larger Rebuilding Existing Supportive Housing at Alameda Point (RESHAP) initiative. The transportation component includes infrastructure improvements at the Seaplane Lagoon ferry terminal to support future enhanced zero emission ferry operations. The Council is recommending award of the project, which includes approximately \$7 million to support SF Bay Ferry electrification infrastructure at the Seaplane Lagoon terminal. The total grant award for the project is nearly \$45 million. The Council recommendation indicates that the Stardust Gardens grant application received the highest score of the 17 statewide projects recommended for award.

The Council is also recommending award of a Treasure Island project proposed by the John Stewart Company, Treasure Island Development Authority, and Treasure Island Mobility Management Agency. The transportation component of this project includes approximately \$7 million to support future operation of the Treasure Island ferry service.

The Council is scheduled to consider adoption of the recommended awards on December 8th.

MV *Zalophus* Delivery

MV *Zalophus*, the fourth and final Dorado-class vessel built for SF Bay Ferry by Mavrik Marine, was delivered to the Bay Area on Saturday, August 30, 2025. The vessel, a 36-knot and 320-passenger quad-engine waterjet ferry, will primarily serve the Vallejo route. It received its U.S. Coast Guard certification following inspection on September 15 and officially entered service on September 27. A commissioning ceremony was held on Monday, November 17.

MV *Zalophus* is the last diesel ferry planned to enter SF Bay Ferry service. The next ferry scheduled to join the fleet is a 150-passenger battery electric ferry being built by All-American Marine.

Tour for National Caucus of Environmental Legislators

On Wednesday December 3, SF Bay Ferry hosted an onboard tour for the National Caucus of Environmental Legislators (NCEL) that was coordinated in partnership with the California Energy Commission (CEC). Attendees included a curated group of approximately 40 bipartisan state and local elected officials from 19 different states across the U.S., including budget chairs, agency heads, and mayors. The two-day tour included factory tours, demonstrations and discussions around new technologies, partnerships, and policy frameworks driving the clean-energy transition in California including scaling energy storage and vehicle electrification through policy, financing, and partnerships. SF Bay Ferry transported participants from the Richmond Ferry Terminal to the San Francisco Ferry

Building and provided an overview of how the agency has crafted the first California Air Resource Board approved compliance plan and our Rapid Electric Emission-free Ferry (REEF) Program.

Clipper 2.0 Launch

MTC has confirmed that the full customer transition to the C2 system is anticipated to begin on December 10, 2025 and roll out over 8-12 week period across all participating transit agencies, including San Francisco Bay Ferry. At launch, riders will be able to tap contactless bank cards or mobile wallets, in addition to Clipper, manage their accounts more easily, and benefit from new regional transfer discounts through MTC's Interagency Transfer Pilot Program. Staff will closely monitor the December 10 launch and provide additional information during the Board meeting, if applicable.

Released Request for Proposals

There were no procurements posted in November. Contract Authorizations executed in the first quarter of FY2026 under the Executive Director's authority are as follows:

- \$22,406 to Mavrik Marine for the Karl/Zalophus vessel project
- \$236,518 to Bay Ship & Yacht for Gemini Class Mid Life scope changes
- \$54,000 to Accelerate Strategies for public ferry coalition federal representation support

END

MEMORANDUM

TO: Board Members

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

SUBJECT: Review of FY 2025/26 Financial Statements Ending October 31, 2025

Recommendation

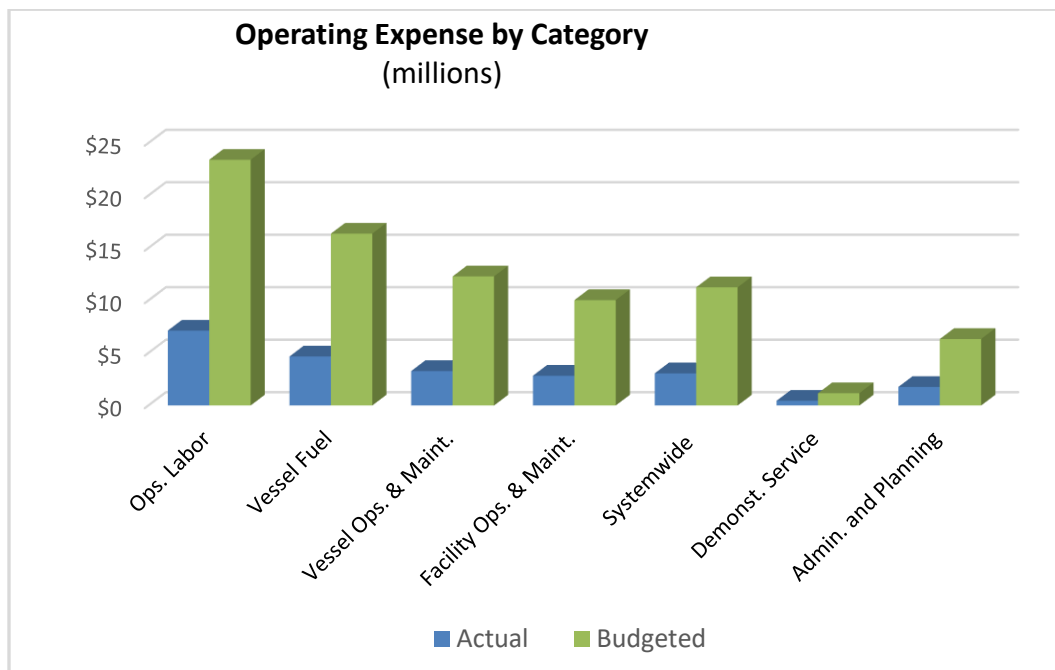
There is no recommendation associated with this informational item.

Financial Summary

This report provides a summary and review of financial activity against budget through October 31, 2025. Detailed financial tables are attached to this report.

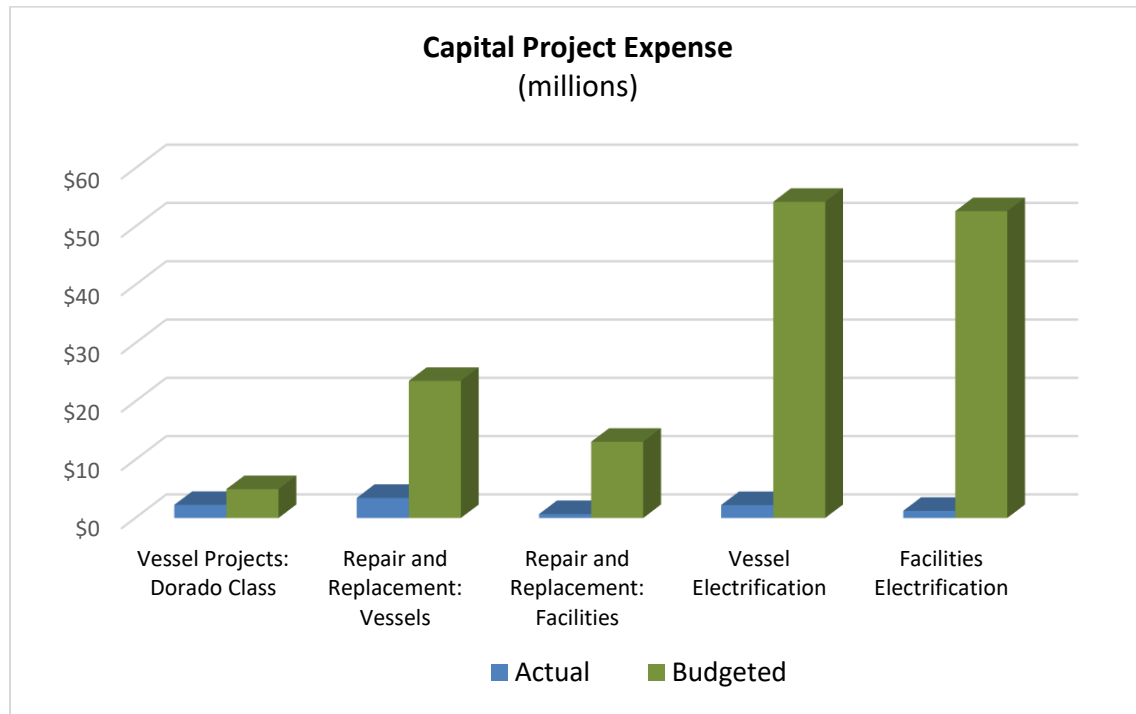
Operating Budget:

Total budgeted expenses for the year are \$80.8 million. With four months of Fiscal Year complete, spending is within anticipated amounts with 29% of the budget expended. There are no budget challenges at this time. Fare revenue slowed during the month due to the lack of special events, including fleet week events. Receipts, however, are still within budget with almost \$6 million received to date. Operating costs are at or below budget for each category and route. The figure below illustrates categories of expense against budget.



Capital Program Expense

Capital Budget expenses through the month were \$9.85 million. Payments for vessel repair and replacements were predominant last month as were payments for the arrival of the Zalophus. More detailed capital project data is provided on the last page of this report, and a more narrative update is provided this month in the quarterly report by the Chief Capital Officer. The figure below shows expense against budget by type of project.



Investment Report

The total monthly balance held in both the Local Agency Investment Fund (LAIF) and our commercial bank as of October 31 is \$26.2 million as shown below.

	October 2025
Bank of America (Checking)	\$ 751,921
Bank of America (Measure B/BB)	6,792,542
Local Agency Investment Fund (LAIF)	18,819,899
Total	\$ 26,364,362

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Ferry (WETA)
Operating & Administration Monthly Budget Report FY 2025/26
Through the Month Ending 10/31/2025

% of Year Elapsed 33%

	Month Oct. 2025 Actual	Year - To - Date		Total FY2025-26 Budget	% Budget
		FY2024-25 Actual	FY2025-26 Actual		
OPERATING REVENUE					
Fare Revenue	\$1,257,947	\$5,276,137	5,988,293	\$15,790,355	38%
Revenue Transfer to Reserve		(2,631,442)	-	-	0%
Federal Operating Assistance		-	-	-	-
Regional - Bridge Toll	4,454,822	13,801,524	15,895,573	57,064,302	28%
State Operating Assistance		3,460,981	-	3,000,000	0%
Local	320,448	1,490,362	1,281,793	3,845,380	33%
Other Revenue	5,375	22,354	14,600	1,170,130	1%
Total Operating Revenue	\$6,038,593	\$ 21,419,917	\$ 23,180,260	\$ 80,870,168	29%
OPERATING EXPENSE					
Harbor Bay Ferry Service					
Operations Labor	\$179,867	\$601,744	641,746	\$2,092,240	31%
Vessel Fuel	84,451	297,234	326,609	1,146,055	28%
Vessel Operations & Maintenance	54,044	235,140	243,228	1,276,676	19%
Facility Operations & Maintenance	24,602	213,179	146,124	723,138	20%
Systemwide Expense	62,524	253,105	265,897	1,005,573	26%
Total Harbor Bay Farebox Recovery	\$ 405,489	\$ 1,600,402	\$ 1,623,604	\$ 6,243,682	26%
	28%	24%	28%	20%	
Alameda/Oakland Ferry Service					
Operations Labor	\$459,660	\$1,384,011	\$1,640,018	\$5,381,783	30%
Vessel Fuel	229,225	849,663	886,511	3,110,721	28%
Vessel Operations & Maintenance	171,699	388,700	747,610	2,637,783	28%
Facility Operations & Maintenance	158,142	573,460	555,171	1,916,370	29%
Systemwide Expense	161,643	679,745	729,003	2,585,846	28%
Total Alameda/Oakland Farebox Recovery	\$ 1,180,369	\$ 3,875,580	\$ 4,558,313	\$ 15,632,503	29%
	22%	34%	31%	24%	
Vallejo Ferry Service (Vallejo)					
Operations Labor	\$559,587	\$1,624,709	\$1,996,544	\$6,673,614	30%
Vessel Fuel	506,708	1,869,258	1,959,656	\$6,876,330	28%
Vessel Operations & Maintenance	282,944	494,347	1,540,928	\$4,280,296	36%
Facility Operations & Maintenance	349,828	1,614,688	1,085,018	4,031,352	27%
Systemwide Expense	200,377	872,430	929,870	3,140,878	30%
Total Vallejo Farebox Recovery	\$ 1,899,443	\$ 6,475,432	\$ 7,512,015	\$ 25,002,470	30%
	28%	37%	36%	28%	
South San Francisco Ferry Service (SSF)					
Operations Labor	\$179,867	\$541,570	\$641,746	\$2,060,405	31%
Vessel Fuel	120,645	212,267	466,585	1,637,221	28%
Vessel Operations & Maintenance	36,094	318,019	159,281	1,127,413	14%
Facility Operations & Maintenance	109,773	208,856	242,449	792,046	31%
Systemwide Expense	57,267	189,172	240,325	1,059,093	23%
Total South San Francisco Farebox Recovery	\$ 503,646	\$ 1,469,884	\$ 1,750,385	\$ 6,676,177	26%
	14%	16%	15%	11%	
Richmond Ferry Service (Richmond)					
Operations Labor	\$379,719	\$1,083,139	\$1,354,797	\$4,392,511	31%
Vessel Fuel	168,903	594,912	653,219	2,292,110	28%
Vessel Operations & Maintenance	80,811	551,390	360,283	1,818,521	20%
Facility Operations & Maintenance	139,476	508,194	446,068	1,659,169	27%
Systemwide Expense	123,812	478,732	526,718	2,011,145	26%
Total Richmond Farebox Recovery	\$ 892,721	\$ 3,216,368	\$ 3,341,085	\$ 12,173,456	27%
	15%	14%	17%	12%	

(continued on next page)

San Francisco Bay Ferry (WETA)
Operating & Administration Monthly Budget Report FY 2025/26
Through the Month Ending 10/31/2025

% of Year Elapsed 33%

	Month Oct. 2025 Actual	Year - To - Date		Total FY2025-26 Budget	% Budget
		FY2024-25 Actual	FY2025-26 Actual		
OPERATING EXPENSE (continued)					
Seaplane Lagoon Ferry Service					
Operations Labor	\$239,823	\$782,267	\$855,662	\$2,802,985	31%
Vessel Fuel	96,516	424,980	373,268	1,309,777	28%
Vessel Operations & Maintenance	49,811	272,437	228,541	1,157,422	20%
Facility Operations & Maintenance	103,924	271,854	358,675	915,887	39%
Systemwide Expense	87,521	326,854	371,297	1,452,494	26%
Total Seaplane Lagoon	\$577,594	\$ 2,078,392	\$ 2,187,442	\$ 7,638,565	29%
<i>Farebox Recovery</i>	<i>26%</i>	<i>23%</i>	<i>28%</i>	<i>18%</i>	
Subtotal Operations (Regular Service)	\$ 5,459,262	\$ 18,716,056	\$ 20,972,844	\$ 73,366,852	29%
<i>Farebox Recovery (exclud. Admin.)</i>	<i>23%</i>	<i>28%</i>	<i>29%</i>	<i>22%</i>	
Alameda - Oakland Demonstration Project (Woodstock)	\$122,802	\$264,979	445,736	\$1,170,130	38%
Subtotal Ferry Operations (All)	\$ 5,582,064	\$ 19,999,090	\$ 21,418,579	\$ 74,536,982	29%
Planning and Administration					
Wages and Fringe Benefits	\$226,638	\$837,970	\$1,038,778	\$3,192,907	33%
Professional & Other Services	171,468	445,223	509,652	1,874,950	27%
Information Tech., Office, Supplies	16,879	17,102	28,501	227,815	13%
Utilities/Communications	1,864	8,623	9,357	31,204	30%
Insurance	5,234	9,417	19,545	29,893	65%
Dues, Memberships, Misc.	12,800	28,916	66,319	233,315	28%
Leases and Rentals	21,646	73,575	89,527	743,104	12%
Subtotal Planning & Administration	\$ 456,528	\$ 1,420,827	\$ 1,761,680	\$ 6,333,188	28%
Total Operating Expense	\$ 6,038,593	\$ 21,419,917	\$ 23,180,260	\$ 80,870,170	29%
<i>Systemwide Farebox Recovery (Regular Service, incl. Admin.)</i>			<i>26%</i>		

San Francisco Bay Ferry (WETA)
FY 2025/26 Capital Revenue and Expense
Year-to-Date Through October 2025

	Total Project Revenue/Expense	Prior Years	FY 2025/26 Budget	Year-To-Date FY2025/26 Actual	Total Future Year	% of Project Budget
CAPITAL REVENUE						
Federal Funds	\$ 193,075,107	\$ 37,935,840	\$ 72,403,025	\$ 6,829,303	82,736,242	23%
State Funds	91,811,845	6,539,594	28,723,962	\$ 734,862	56,548,289	8%
Regional - Bridge Toll	124,728,541	10,450,493	44,247,452	\$ 1,803,160	70,030,597	10%
Local /Other	6,718,698	951,448	1,778,854	\$ 482,751	3,988,396	21%
Pending/Unfunded	99,734,881	-	416,099	-	99,318,782	0%
Total Revenue	\$ 516,069,072	\$ 55,877,374	\$ 147,569,392	\$ 9,850,076	\$ 312,622,306	
CAPITAL EXPENSE						
Vessel Projects: Dorado Class						
Vessel Replacements (Karl, Zalophus)	37,636,402	33,332,396	4,304,006	2,253,258	-	95%
Repair and Replacement Program: Vessels						
Vessel Mid-Life Refurbishment - MV Gemini	4,488,000	235,912	4,252,088	1,371,000	-	36%
Vessel Mid-Life Refurb & Engine Overhaul - MV Pisces	4,679,000	53,485	4,625,515	6,552	-	1%
Engine Overhauls and Improvements	15,833,408	2,531,886	9,893,322	1,842,279	3,408,200	28%
Component Improvements/Dry Dock	4,666,500	-	4,666,500	232,756	-	5%
Repair and Replacement Program: Facilities						
Vallejo Terminal Reconfiguration	16,696,000	666,067	6,910,525	260,847	9,119,408	6%
Passenger Floats Rehabilitation - Pier 9	1,362,000	-	1,337,000	1,263	25,000	0%
Multiuse Emergency Float	200,000	-	200,000	7,824	-	4%
Vallejo Ferry Terminal Dredging	3,030,735	287,795	2,742,940	48,792	-	11%
North Bay Fuel Farm Upgrades	540,000	-	540,000	-	-	0%
Administrative Facility Improvements	1,149,830	51,299	769,500	336,266	329,031	34%
South SF Dredging & Dredging Program Work	3,922,000	-	430,000	22,201	3,492,000	1%
Electrification Program (REEF)						
Vessels						
New Electric Vessels (Three - 150 PX)	58,407,000	6,592,365	9,858,638	36,641	41,955,996	11%
New Electric Vessels (Two - 400 PX)	77,351,393	8,632,247	41,086,609	2,189,132	27,632,537	14%
Hydrus Conversion to Battery Electric Propulsion	14,085,302	-	3,312,060	4,509	10,773,242	0%
Facility Electrification						
Central Bay Terminal	3,106,250	41,895	2,141,750	55,028	922,605	3%
Downtown San Francisco	83,930,168	1,713,775	16,350,682	459,606	65,865,711	3%
Treasure Island	6,798,681	436,145	3,350,000	200,980	3,012,536	9%
Main Street	11,887,500	-	255,000	807	11,632,500	0%
Seaplane Lagoon	36,586,500	369,398	12,072,017	217,002	24,145,085	2%
Harbor Bay	36,731,737	525,503	4,999,471	127,980	31,206,763	2%
Richmond Terminal	4,235,853	-	302,713	-	3,933,140	0%
Mission Bay Project	52,050,519	100,651	12,500,000	21,854	39,449,868	0%
Berkeley Pier/Ferry Project	3,000,000	107,202	179,683	39,865	2,713,115	5%
Oakland Ferry Terminal	33,694,294	199,353	489,373	113,635	33,005,568	1%
Total Expense	\$516,069,072	\$55,877,374	\$147,569,392	\$9,850,076	\$312,622,306	



TO: SF Bay Ferry Board Members

**FROM: Ray Bucheger, Mana Shim, Madison Higginbotham and Meghan Flynn
SF Bay Ferry Federal Legislative Representatives**

SUBJECT: SF Bay Ferry Federal Legislative Board Report – December 2025

This report covers the following topics:

- Update on FY26 Federal Appropriations Process
- Public Ferry Caucus Recruitment
- Pressing DOT to Obligate FTA Grants
- APTA Outreach – Surface Reauthorization

Update on FY26 Federal Appropriations Process – Government Shutdown

The longest government shutdown in history ended on November 12, 2025, when Congress passed and President Trump signed a continuing resolution to reopen the government. The bill to reopen the government included 3 (Agriculture, Military Construction-Veterans' Affairs, and Legislative Branch) of the needed 12 appropriations bills and made the new deadline for government funding January 30, 2026. Congress now must pass the remaining 9 bills, or another continuing resolution, by January 30 to avoid a shutdown.

Recall SF Bay Ferry has a big stake in government funding. We were able to secure funding for SF Bay Ferry in the Senate THUD bill for phase one of the Oakland Modernization Project. Additionally, for the sixth year in a row we have also been able to secure additional funding for the FTA 5307(h) ferry program.

Public Ferry Caucus Growth

Accelerate Strategies continues to work closely with members of the Public Ferry Coalition to expand and strengthen the new Public Ferry Caucus in Congress. As a result of this outreach, the caucus is up to 14 members (10 Democrats and 4 Republicans) and growing. Four of the Members are part of the SF Bay Ferry delegation: Co-Chair Rep. Garamendi, Rep. Mullin, Rep. Pelosi, and Rep. Simon. We have continued our outreach to grow the caucus, with a particular focus on adding more Republican members. We are also expanding the SharePoint site so Public Ferry Coalition members can easily access our resources. In addition, we are revising the coalition's voting procedures and updating the contact list to ensure all information is accurate.

Pressing DOT to Obligate FTA Grants

We continue to work with SF Bay Ferry staff to get DOT to obligate funding awarded by FTA for an electric ferry and two universal charging floats. This funding is currently being held up by the Secretary of Transportation, who has held up all grants intended for electrification projects.

We have been coordinating with SF Bay Ferry staff on the following specific outreach:

- We have been corresponding directly with FTA Administrator Marc Molinaro, who has met directly with SF Bay Ferry staff. We have provided Molinaro with extensive background material that he has shared with the Secretary's staff.
- A portion of this funding will be spent at All American Marine, located in the district of House Transportation and Infrastructure (T&I) Committee Ranking Member Rick Larsen; accordingly, we have raised the issue with Larsen, and we have briefed his staff, who in turn have contacted the Secretary's chief of staff on his behalf.
- We are coordinating with additional government affairs consultants retained by SF Bay Ferry to lobby the Office of the Secretary directly.
- We are coordinating with other outside consultants to get the Florida Congressional delegation to contact DOT to make the case that obligating this grant money will allow SF Bay Ferry to sell one of its diesel vessels to CrossBay Ferry in Tampa.

Throughout our outreach to DOT, we have emphasized that this funding advances Trump Administration priorities, including: 1) reducing federal expenditures by lowering operating costs; and 2) expanding U.S. manufacturing jobs, particularly in shipbuilding capacity.

APTA Outreach – Surface Reauthorization

On behalf of the Public Ferry Coalition, we sent a letter to the American Public Transportation Association (APTA) encouraging the association to support public ferry funding in the 2026 Surface Reauthorization Bill. Historically, APTA has prioritized bus and rail over ferry funding. Earlier this year we encouraged APTA to create a dedicated space for public ferry operators through the establishment of the public ferry working group.



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

December 1, 2025

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

FM: Matt Robinson, Partner
Michael Pimentel, Partner

RE: **STATE LEGISLATIVE UPDATE – December 2025**

General Update

As we previously reported, the Legislature recessed the first year of the two-year 2025-26 Legislative Session on September 13, entering interim recess. Before recessing, the Legislature sent nearly 800 bills to the Governor for his consideration in the final weeks of the legislative session. This final raft of bills is a subset of the 2,350 bills introduced by legislators in 2025. The Governor had until October 13 to sign or veto the bills that comprise this final tranche.

The Legislature will reconvene on January 5, 2026 for the start of the second year of the two-year session. Any two-year bills introduced in 2025 that are still in their first house (House of Origin) will need to be heard in policy committees by January 16, 2026, and passed out of their House of Origin by January 31, 2026. For bills newly introduced in 2026, the last day to submit bill requests to the Office of Legislative Counsel is January 23, 2026, and the deadline for bill introductions is February 20, 2026. For information about key legislative and budget deadlines for next year, please see the tentative 2026 Legislative Calendar [here](#).

Legislative Analyst's Office's Fiscal Year 2026-27 Budget Projection

On November 19, the Legislative Analyst's Office released its [annual report](#) for the upcoming budget year, projecting a \$18 billion budget deficit for the 2026-27 fiscal year. This initial formal assessment of the state's financial health signals another tough year for state and local programs. The deficit is about \$5 billion larger than the administration's June estimate, despite revenue improvements. This is due to constitutional spending rules under Proposition 98 (1988) and Proposition 2 (2014), which nearly offset revenue gains. In their report, the LAO recommends that the Legislature address the budget problem through a combination of ongoing solutions—namely, achievable spending reductions and/or revenue increases. The deadline for the Governor to submit his proposed budget is January 10, 2026. It is worth noting that the Administration's fiscal projections often significantly differ from the LAO's.

Cap-and-Invest Program Auction Results

On November 26, the California Air Resources Board announced the results of the November 19 auction for Cap-and-Invest Program allowances. This auction, the first since the Cap-and-Invest Program was

reauthorized in [AB 1207 \(Irwin\) \[Chapter 117, Statutes of 2025\]](#), produced \$840 million for the Greenhouse Gas Reduction Fund (GGRF), roughly \$150 million less than last year's November auction.

As a reminder, the legislation extending this program effectively established priority tiers for the GGRF appropriations outlined in the Cap-and-Invest Expenditure Plan. Off the top, the legislation appropriates GGRF revenue for a variety of backfills and administrative expenses – “Tier 1.” The legislation then appropriates \$1 billion in GGRF revenue for high-speed rail and \$1 billion in GGRF revenue for the Legislature’s discretionary priorities – “Tier 2.” Then, the legislation appropriates nearly \$2 billion for the historic continuous appropriations, including the Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and Affordable Housing and Sustainable Communities Program (AHSCP) – “Tier 3.”

Importantly, if Cap-and-Trade doesn’t raise enough GGRF to fund Tier 1 and Tier 2 programs at the levels prescribed, the funds for “Tier 3” programs will be decreased proportionally. In explicit terms, if Cap-and-Trade fails to bring in \$4.2 billion in proceeds, the TIRCP, LCTOP, and AHSCP will receive less than the \$400 million, \$200 million, and \$800 million committed to the programs, respectively.

Senate Leadership Transition

In mid-September, Senate President Pro Tempore Mike McGuire (D-North Coast) announced that he would step down as leader of the State Senate on an earlier timeline than initially anticipated. Effective November 17, Senator Monique Limón (D-Santa Barbara) officially began transitioning into the role of Senate Pro Tem; her official swearing-in ceremony is set for January 5 when the Legislature returns to Session in Sacramento.

We expect Senator Limón will announce changes in leadership and key committee roles over the next several weeks. While the scope of these changes is not yet known, they could include changes to committees of interest to SF Bay Ferry, including the Senate Budget and Fiscal Review Committee (and its subcommittees), Senate Appropriations Committee, Senate Housing Committee, Senate Local Government Committee and Senate Transportation Committee.

CEC 2025-26 Investment Plan Update for the Clean Transportation Program

On November 24, the California Energy Commission published the [2025-2026 Investment Plan Update for the Clean Transportation Program](#).

The plan guides allocation of program funding for Fiscal Year 2025-2026 and the reallocation of funds from previous fiscal years, totaling \$364.9 million, to support the deployment of charging and refueling infrastructure for zero-emission vehicles.

The CEC will review the proposed allocations of program funding annually and will consider approving the plan at its December 8 business meeting.

Update on CalSTA Transit Transformation Task Force

As we previously reported, the California State Transportation Agency's (CalSTA) Transit Transformation Task Force held its last meeting in Sacramento on September 30, concluding a two-year process that

brought together transit agencies, transit advocates, and state officials to discuss and develop recommendations for improving public transit in California.

In the month that followed the Task Force's last meeting, CalSTA worked to finalize its final report of recommendations to the Legislature, which is required under state law to be submitted to the relevant policy and budget committees of the California State Legislature by October 31, 2025. As of the drafting of this report, CalSTA has not submitted its final report of recommendations to the Legislature, as the Newsom Administration completes its review of the report. We expect that CalSTA will submit the final report to the Legislature in the coming weeks.

To prepare for the transmittal of the report, the California Transit Association (the trade organization to which SF Bay Ferry belongs) convened its internal Transit Transformation Advisory Committee, which includes participation by Executive Director Seamus Murphy, to consider its response to the final report (based on earlier drafts of the report) and draft a response letter, which will be submitted to the Legislature alongside the final report's transmittal. The letter supports the detailed analysis of transit's challenges and opportunities, but voices concerns that the Task Force process did not result in complete recommendations on transit funding or Transportation Development Act (TDA) reform.

Two-Year Bills of Interest

SB 239 (Arreguín) Brown Act Teleconferencing Advisory Bodies – WATCH

This bill would authorize a subsidiary body to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation. The bill would require the subsidiary body to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform and would require the subsidiary body to list a member of the subsidiary body who participates in a teleconference meeting from a remote location in the minutes of the meeting. The bill would require the legislative body that established the subsidiary body electing to use teleconferencing pursuant to these provisions to establish the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter. The bill would require the subsidiary body to approve the use of teleconference by two-thirds vote before using teleconferencing. ***This is a two-year bill.***

AB 259 (Rubio) Brown Act Teleconferences – WATCH

Existing law authorizes local agencies to use teleconferencing for board/council members under certain circumstances (illness, caring for others, travel, etc.) as long as a quorum of the members participate in person from the same location identified on the agenda and that the location is open to the public and in within the local agency's jurisdiction. Existing law establishes limits on the number of meetings members may participate in via teleconference to two meetings per year if the legislative body regularly meets once per month or less. These provisions sunset on January 1, 2030. This bill would remove the sunset date and extend the alternative teleconferencing procedures indefinitely. ***This is a two-year bill.***

AB 939 (Schultz) Transportation Bond – WATCH

This bill would enact the Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026 which, subject to voter-approval, would authorize \$20 billion in General Obligation bonds to finance transit and

passenger rail improvements, local streets and roads and active transportation projects, zero-emission vehicle investments, transportation freight infrastructure improvements, and grade separations and other critical safety improvements. The bill still needs additional substantive amendments, but it sets aside \$6 billion for transit capital improvements, \$4 billion for intercity, regional, and commuter passenger rail improvements, and \$3 billion for zero-emission vehicle investments, including rolling stock, battery electric technology vehicles, and hydrogen technology vehicles. ***This is a two-year bill.***

See SF Bay Ferry's online bill matrix [here](#) for additional information on legislation we are tracking for your agency.

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Michael Gougherty, Director of Planning
Gabriel Chan, Transportation Planner

SUBJECT: Ridership Report – December 2025

Background

The agency's 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. SF Bay Ferry relaunched the South San Francisco service in November 2021.

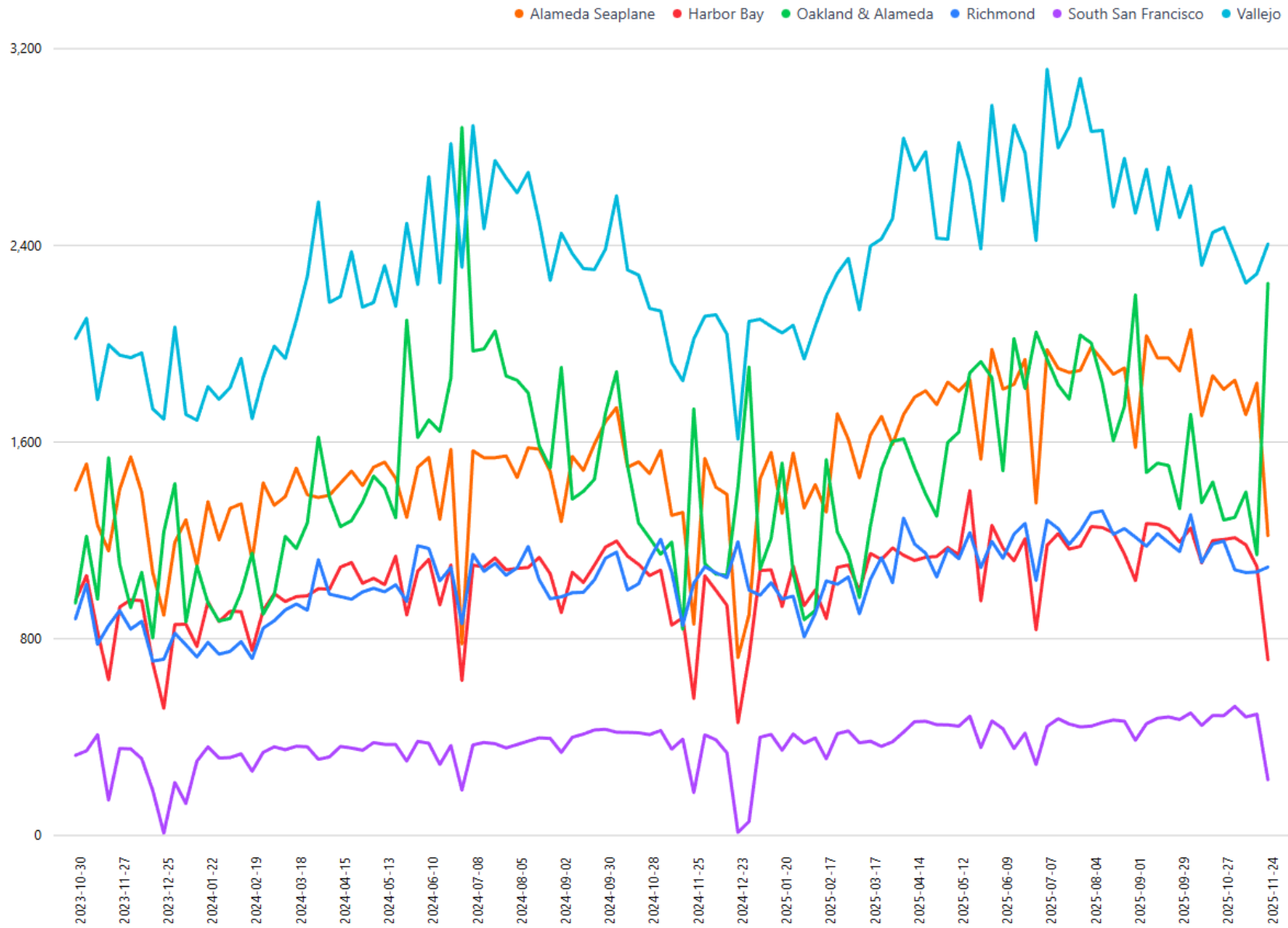
The Plan enhanced service during midday and weekend periods to reflect changing demands from regular commuters and recreational riders. Lower fares, more in line with parallel transit options such as BART or Transbay buses, are an additional feature of the Plan. With the introduction of the new ridership database in January 2023, staff were able to provide more in-depth insights about ridership data with greater precision and accuracy. In late 2025, staff recognized that a "new normal" for travel patterns in the region necessitated updates to the monthly ridership report to focus more on ferry capacity and utilization. This report provides a monthly update on ridership trends and comparisons to historical data.

Discussion

This report includes ridership data for November 2025. SF Bay Ferry had just over 215,000 boardings in November. Compared to the same month in 2019, ridership recovery was 91%. Year-over-year ridership was up 17% from November 2024 to November 2025. Commute numbers, weekend ridership and non-commute passenger counts during Thanksgiving Week all buoyed system ridership. Additionally, the Oakland Alameda Water Shuttle, which has broadly seen a seasonal dip in ridership, had its best day since August due to the Jack London Square Christmas Tree Lighting on November 28. In terms of ridership recovery, SF Bay Ferry continues to outperform other regional transit operators. BART registered 50% of October 2019 ridership and Caltrain saw 62% of pre-pandemic October ridership.

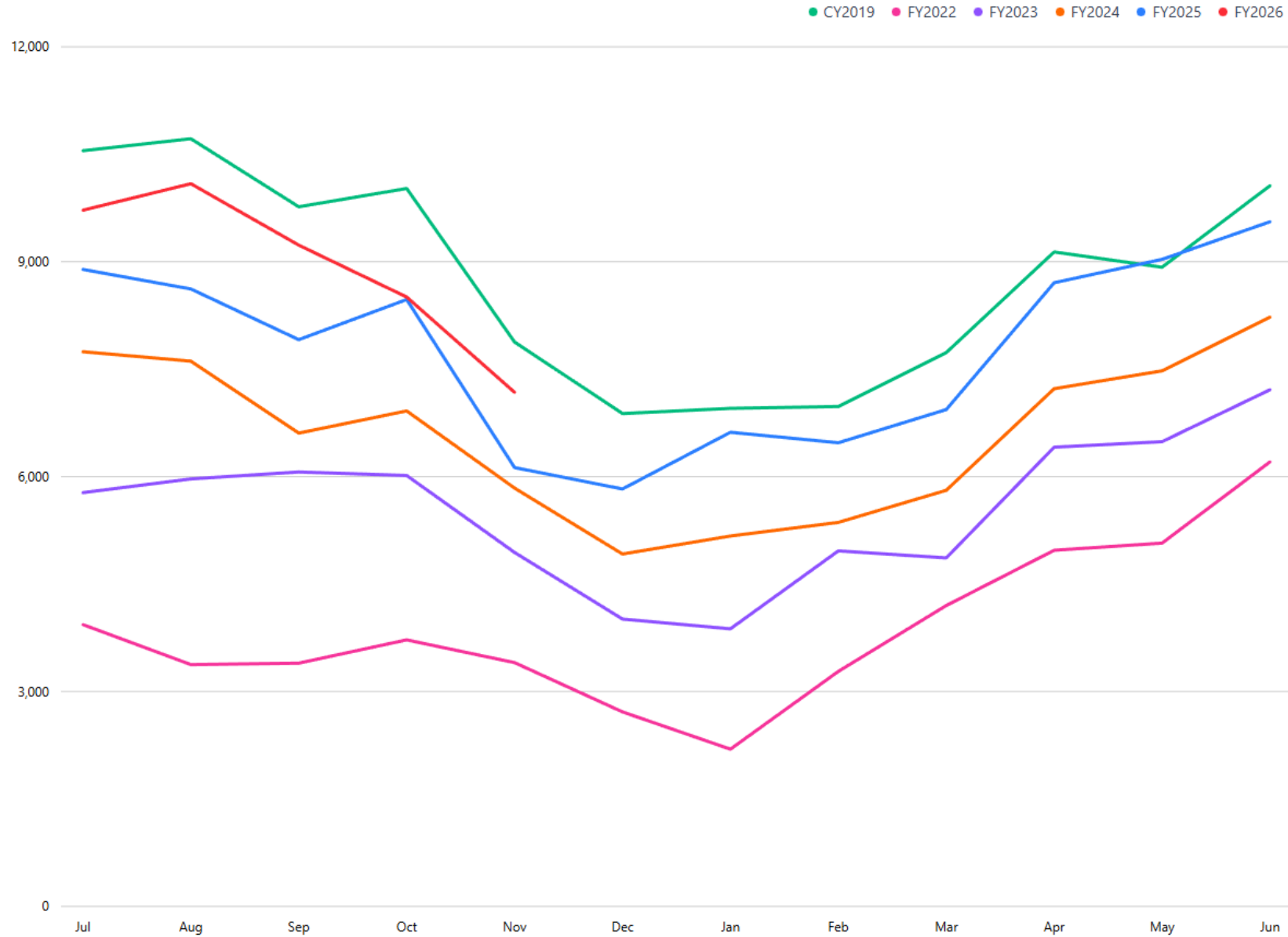
Appendix A. Ridership Data Summary

Weekday Average Ridership



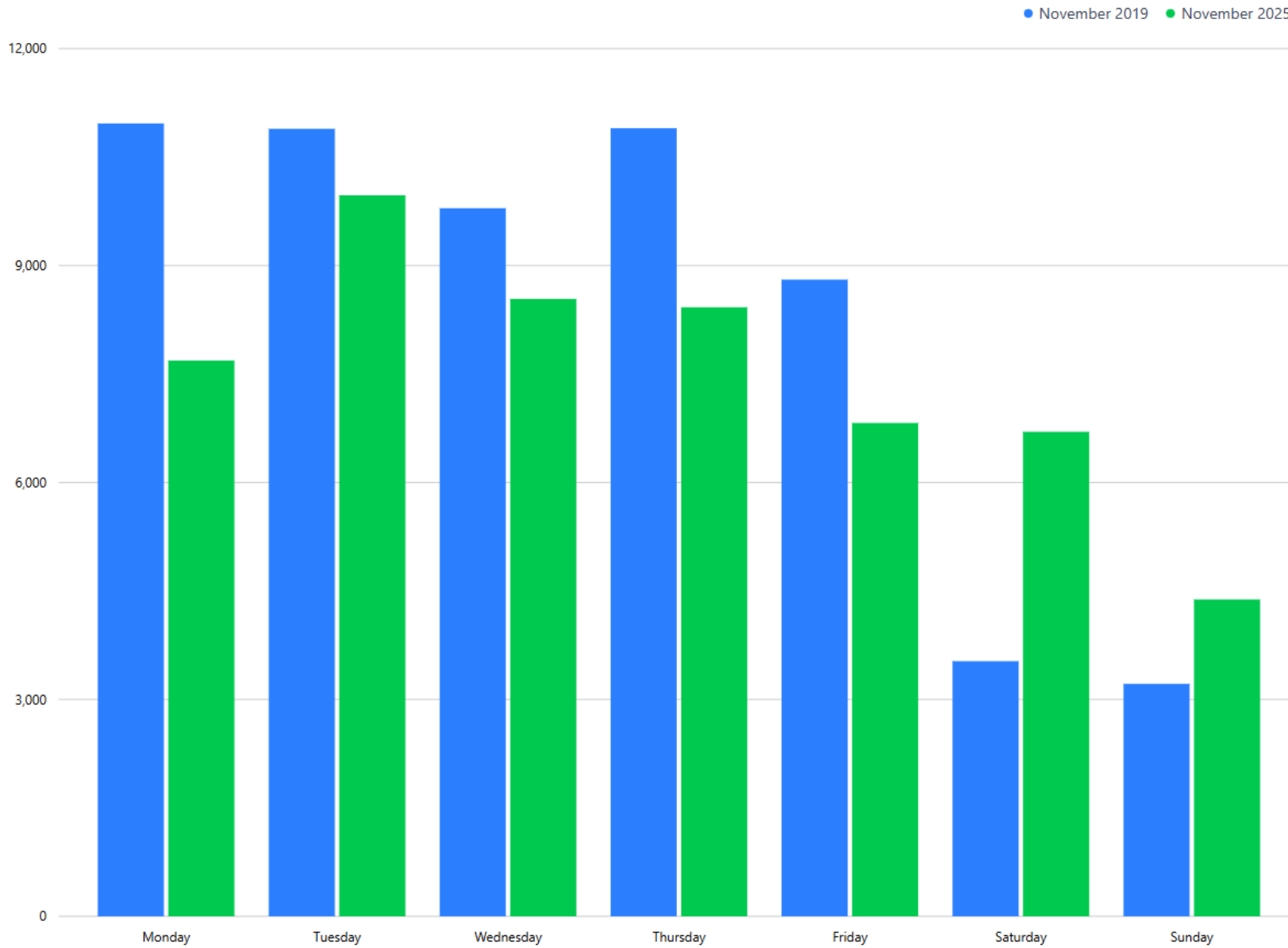
Ridership from other routes and event ridership is excluded.

Average Daily Ridership By Month



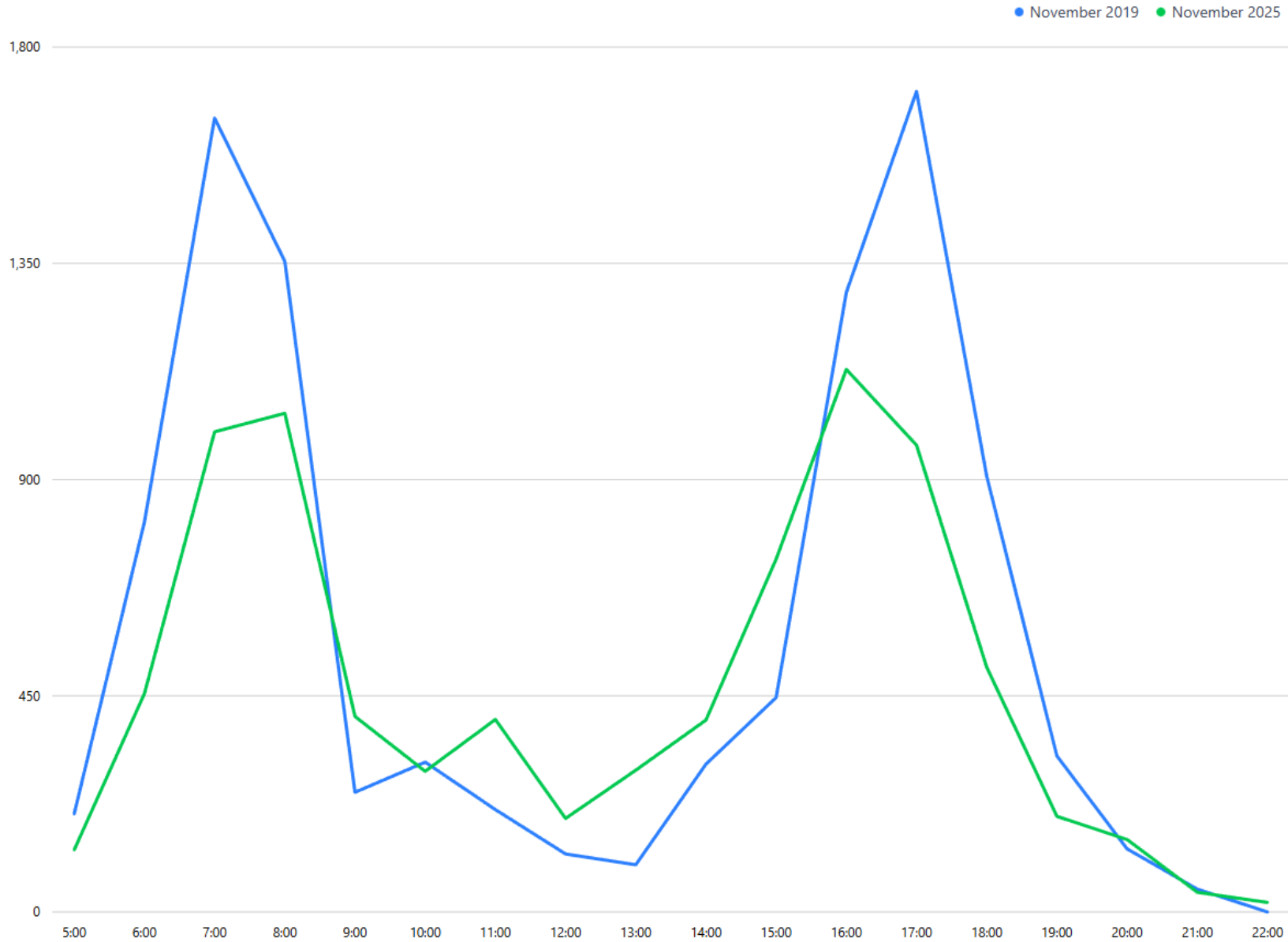
Event ridership is included.

Average Ridership by Day of Week Systemwide



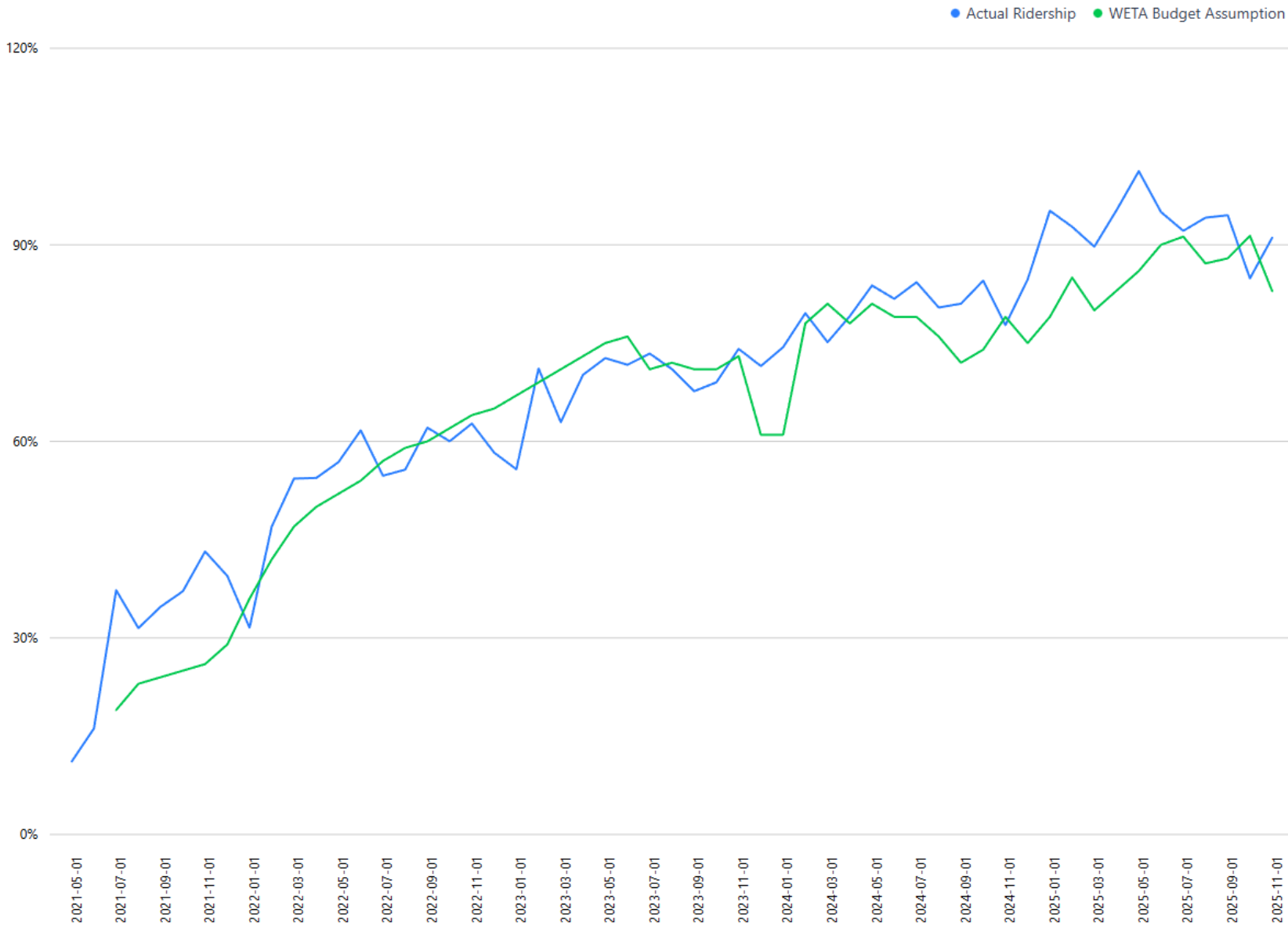
Event ridership is excluded. Holidays with no service are excluded.

Average Weekday Hourly Ridership



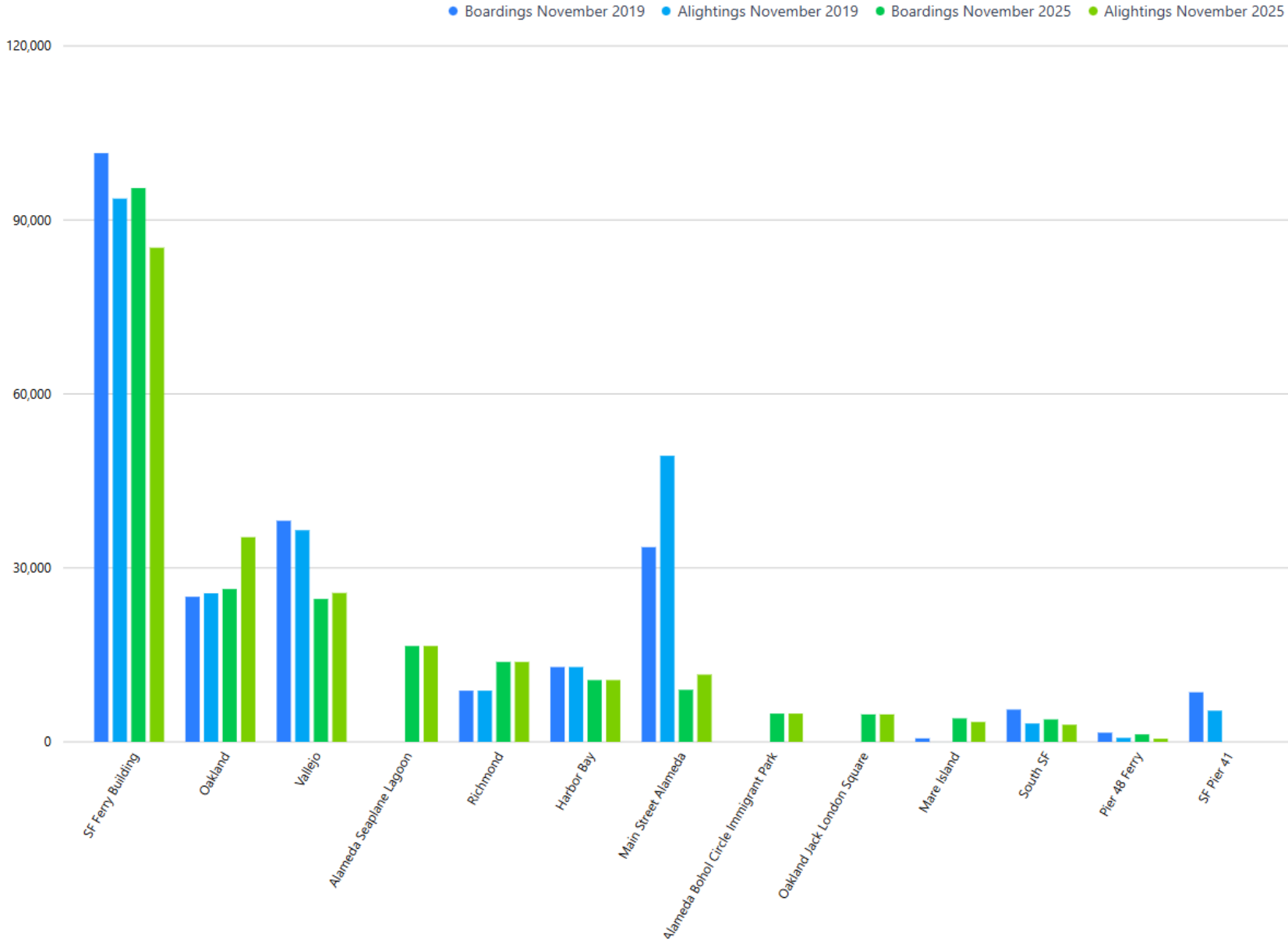
Event ridership is excluded. Scheduled trip segment start time is used.

Actual vs Budgeted Ridership



Event ridership is included.

Boardings and Alightings by Terminal Systemwide

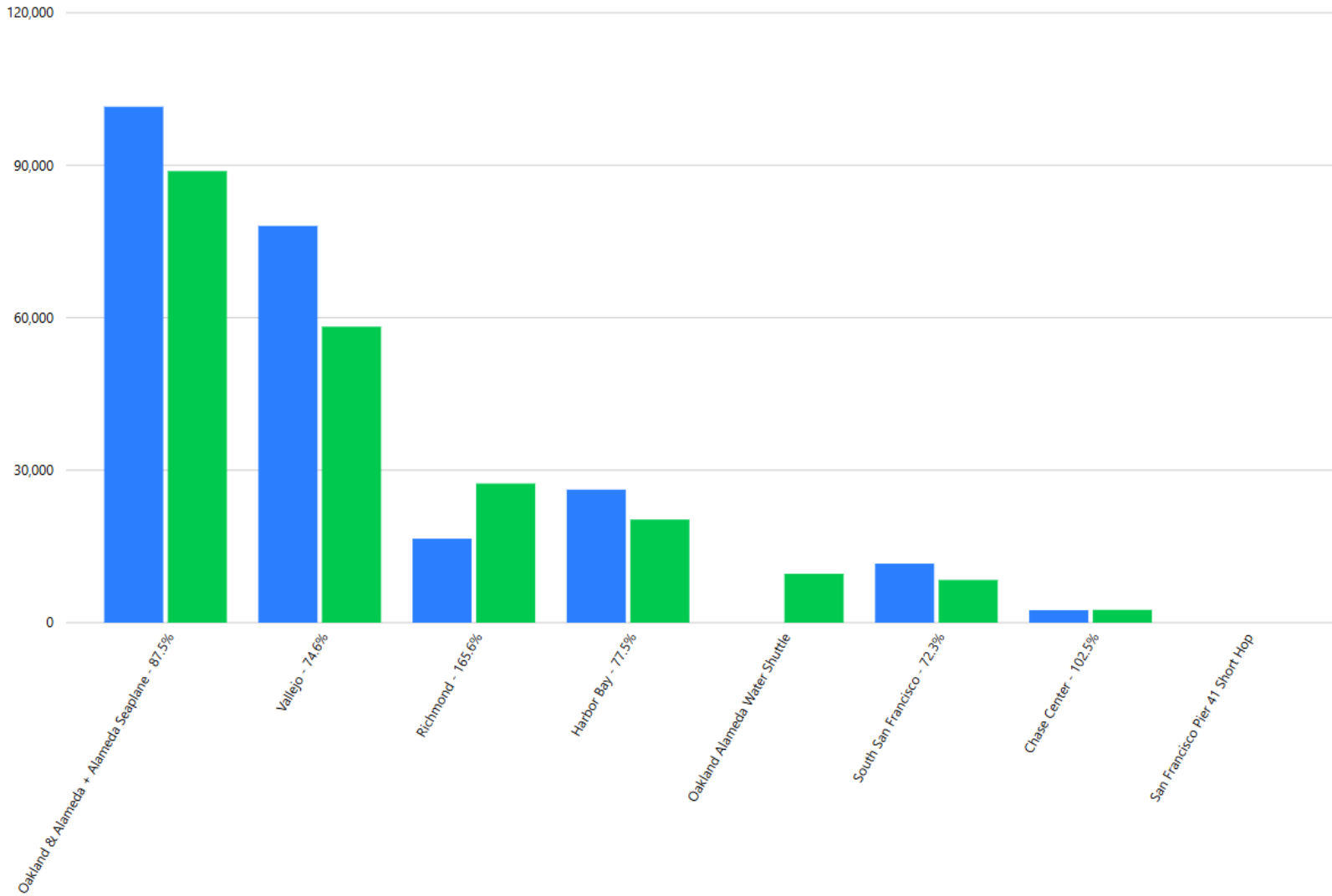


Event ridership is included.

Ridership Recovery by Route

Combine OA and SEA routes

● November 2019 ● November 2025



Event ridership is included.

Top 10 Weekday Max Out Trip Segments

Origin - Destination	Departure Time	Average Daily Boardings	Trip Segment Count	Max Out % ⁱ	Mon Max Out % ⁱ	Tue Max Out % ⁱ	Wed Max Out % ⁱ	Thu Max Out % ⁱ	Fri Max Out % ⁱ
VJO → SF	11:35:00	190	2	50%		0%			100%
SF → VJO	16:35:00	236	17	23.5%	0%	33.3%	25%	66.7%	0%
SF → VJO	17:20:00	206	17	11.8%	0%	33.3%	25%	0%	0%
VJO → SF	07:15:00	192	17	11.8%	0%	0%	25%	33.3%	0%
SF → VJO	15:40:00	199	17	5.9%	0%	0%	0%	33.3%	0%
VJO → SF	08:15:00	124	17	5.9%	0%	0%	0%	33.3%	0%
SF → RCH	17:25:00	126	18	5.6%	0%	25%	0%	0%	0%
HB → SF	07:30:00	149	18	5.6%	25%	0%	0%	0%	0%

Excludes OAS trip segments

ⁱ Max Out refers to the percentage of trip segments with occupancy greater than or equal to 80%.

Top 10 Weekend Max Out Trip Segments

Origin - Destination	Departure Time	Average Daily Boardings	Trip Segment Count	Max Out % ⁱ	Sat Max Out % ⁱ	Sun Max Out % ⁱ
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 No Weekend Max Out Trip Segments

Excludes OAS trip segments

ⁱ Max Out refers to the percentage of trip segments with occupancy greater than or equal to 80%.

Operational Statistics - Core Services

	Oakland & Alameda	Richmond	Harbor Bay	South San Francisco	Alameda Seaplane	Vallejo	Total Core Services	Total Core and Non-Core Services
Total Ridership November 2025	56,962	27,374	20,287	8,401	31,891	58,240	203,155	215,275
Total Ridership October 2025	61,993	34,431	27,251	10,912	42,743	71,158	248,488	263,700
Percent Change	-8.1%	-20.5%	-25.6%	-23%	-25.4%	-18.2%	-18.2%	-18.4%
Total Ridership November 2025	56,962	27,374	20,287	8,401	31,891	58,240	203,155	215,275
Total Ridership November 2024	46,327	25,417	17,005	6,751	25,430	51,222	172,152	183,762
Percent Change	23%	7.7%	19.3%	24.4%	25.4%	13.7%	18%	17.1%
Total Ridership FY2026 to date [†]	343,456	165,724	125,494	48,701	197,978	374,097	1,255,450	1,369,944
Total Ridership FY2025 to date [†]	334,725	142,685	112,176	40,933	158,567	349,122	1,138,208	1,226,587
Percent Change	2.6%	16.1%	11.9%	19%	24.9%	7.2%	10.3%	11.7%
Average Weekday Ridership November 2025	1,481	1,077	1,127	467	1,772	2,320	8,244	8,369
Weekdays Operated in November 2025	19	19	18	18	18	19	19	19
Average Weekend Ridership November 2025	2,882	690				1,415	4,987	5,627
Weekend Days Operated in November 2025	10	10	0	0	0	10	10	10
Ridership Per Hour November 2025	125	74	142	74	147	83	102	100
Ridership Per Mile November 2025 [‡]	8.9	4.1	6.9	4.1	8.8	3.1	5	5.3
Revenue Hours November 2025	457	369	143	114	217	701	2,001	2,144
Revenue Hours FY To Date [†]	2,408	2,027	941	665	1,210	3,818	11,068	12,015
Revenue Miles November 2025 [‡]	6,414.3	6,741.6	2,941.2	2,070	3,612	18,833.7	40,612.8	40,988
Revenue Miles FY To Date ^{†‡}	34,195.7	36,994	19,393	12,075	20,171.2	101,904.7	224,733.6	229,297
% of planned trip segments November 2025	100%	99.7%	100%	100%	100%	100%	100%	98.4%
% of trip segments on time November 2025 [*]	98.4%	98.4%	100%	99%	100%	98%	98.7%	98.7%

[†]Total ridership, miles and hours for FY to date can include ridership from routes which were not operated this month.

[‡]Statute miles.

^{*}On time is less than 10 min of delay in arriving.

Operational Statistics - Non-Core Services

	Oakland Alameda Water Shuttle	Chase Center	Total Non-Core Services	Total Core and Non-Core Services
Total Ridership November 2025	9,610	2,510	12,120	215,275
Total Ridership October 2025	12,274	1,127	13,401	263,700
Percent Change	-21.7%		-9.6%	-18.4%
Total Ridership November 2025	9,610	2,510	12,120	215,275
Total Ridership November 2024	8,173	1,927	10,100	183,762
Percent Change	17.6%		20%	17.1%
Total Ridership FY2026 to date [†]	63,302	10,691	114,494	1,369,944
Total Ridership FY2025 to date [†]	44,959	3,687	88,379	1,226,587
Percent Change	40.8%		29.5%	11.7%
Average Weekday Ridership November 2025	291	414	705	8,369
Weekdays Operated in November 2025	14	4	15	19
Average Weekend Ridership November 2025	554	427	981	5,627
Weekend Days Operated in November 2025	10	2	10	10
Ridership Per Hour November 2025	71	359	85	100
Ridership Per Mile November 2025 [‡]	33	29.7	32.3	5.3
Revenue Hours November 2025	136	7	143	2,144
Revenue Hours FY To Date [†]	787	25	812	12,015
Revenue Miles November 2025 [‡]	291	84.6	375.6	40,988
Revenue Miles FY To Date ^{‡†}	1,686.8	296.1	1,982.9	229,297
% of planned trip segments November 2025	92.8%	100%	93%	98.4%
% of trip segments on time November 2025 [*]				98.7%

[†]Total ridership, miles and hours for FY to date can include ridership from routes which were not operated this month.

[‡]Statute miles.

^{*}On time is less than 10 min of delay in arriving.

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Thomas Hall, Director of Operations & Customer Experience
Joseph Ramey, Project Development & Controls

SUBJECT: Service Reliability Report – October 2025

Background

The following metrics are 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.
- **Max-Out Trips:** Trips with passenger counts at least 98% of maximum capacity based on the vessel assigned.

Every six months, staff will provide reliability metric comparisons to other public ferry operators.

The findings of this 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. SF Bay Ferry's average on-time performance and service reliability goals for 2025 are both 95% for the system as a whole.

This report covers only regular SF Bay Ferry service. It does not include pilot or special event service.

Discussion

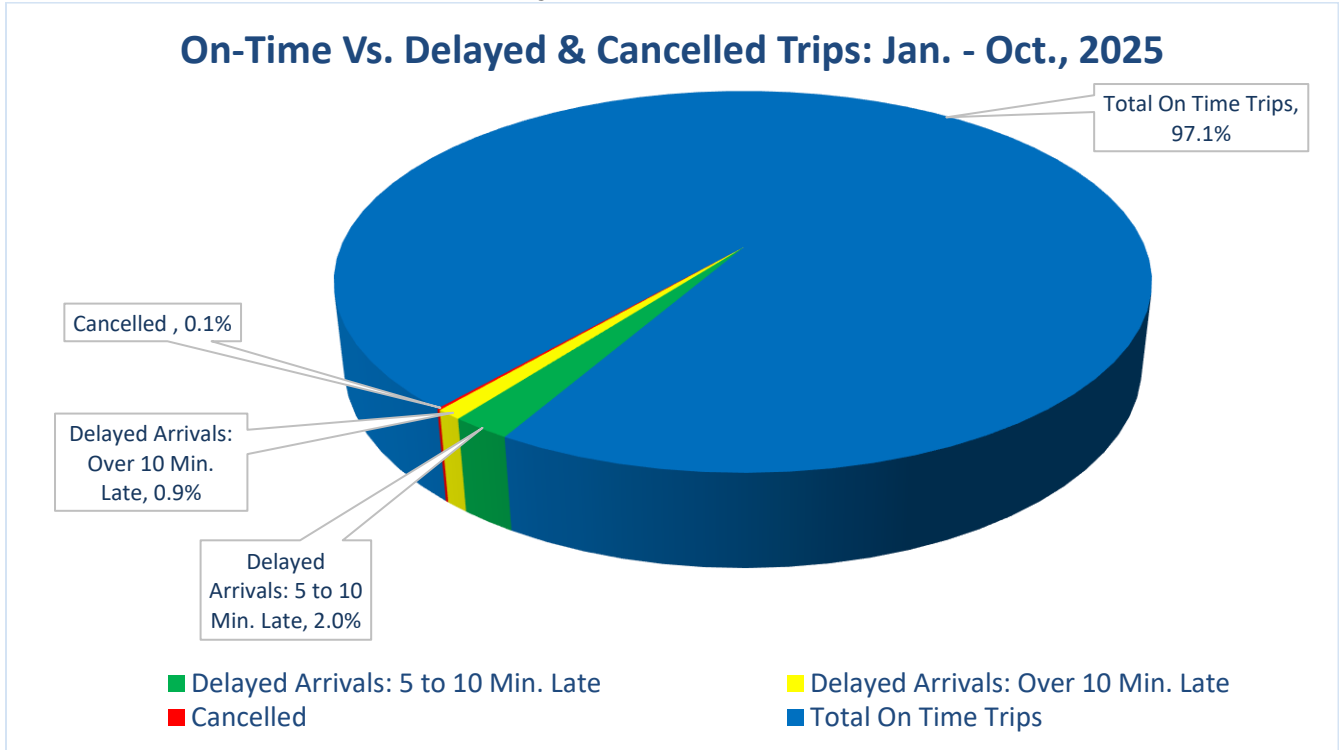
Year to date, SF Bay Ferry is performing at a service reliability of 99.9% and an on-time performance of 97%. Both metrics exceed established goals so far in 2025.

These are highlights for the service's reliability and on-time performance for October 2025.

- **Reliability:** SF Bay Ferry completed 4,621 of 4,622 trips in October, for a reliability rate of 99.98%.
- **On-time performance:** In October, 98% of SF Bay Ferry's trips were considered on-time. Vallejo weekend on-time performance, a sore spot in the preceding months, improved to 96.1% in October.
- **Max-Outs:** Five non-reserved transbay trips hit 98% of maximum capacity in October. All were Saturday or Sunday trips during Fleet Week.

All charts presented include data through October 31, 2025.

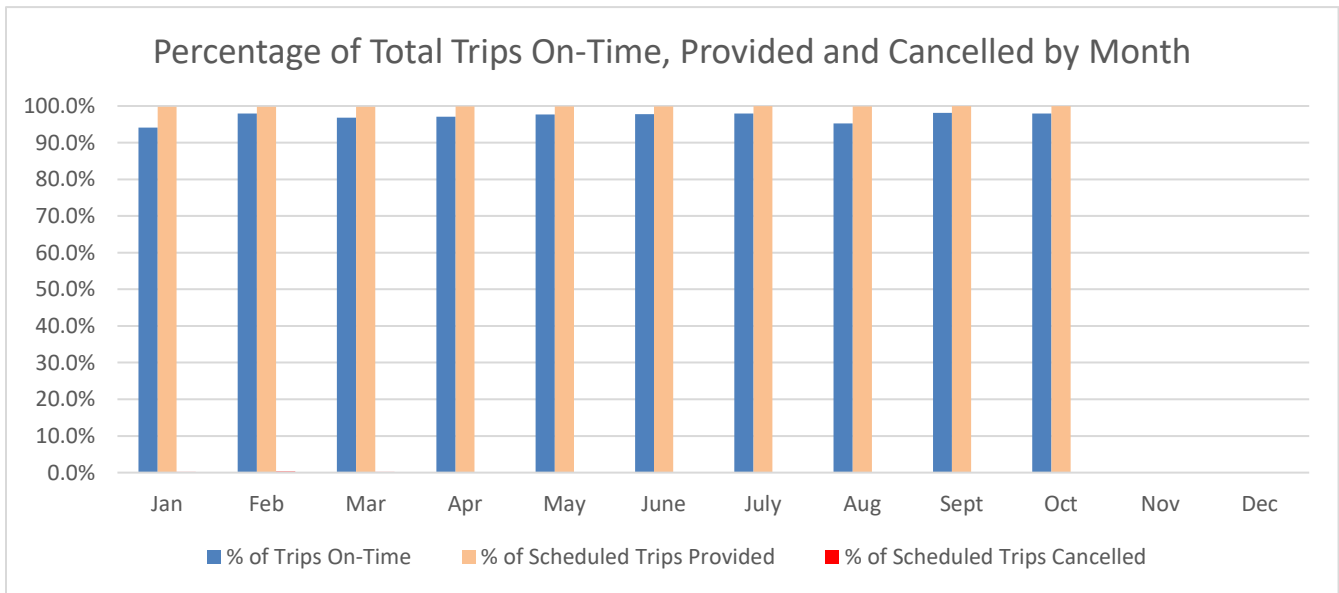
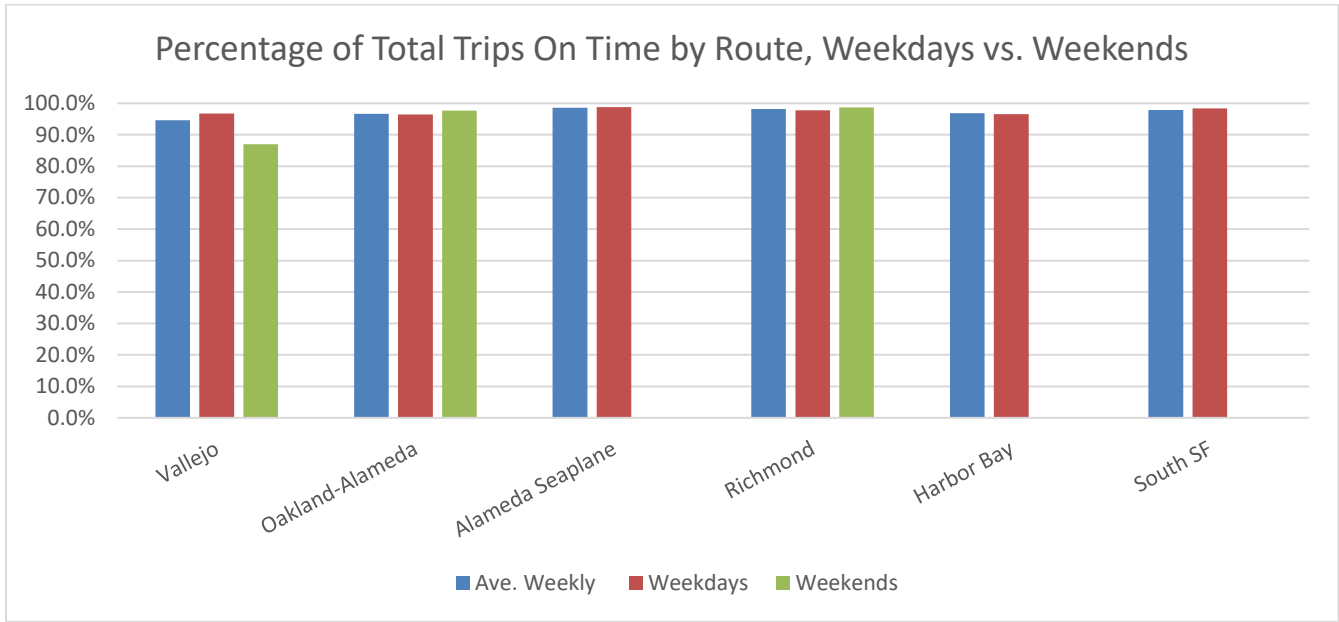
Appendix A. Operations Data Summary



On-Time Performance: On Time Vs. Delayed & Cancelled Trips (Arrivals)					
Route	Total Trips Provided*	Delayed Arrivals: 5 to 10 Min. Late	Delayed Arrivals: Over 10 Min. Late	Cancelled	Total On Time Trips
Vallejo	6,638	242	102	4	6,294
Oakland-Alameda	14,265	332	130	18	13,803
Alameda Seaplane	6,826	47	32	2	6,747
Richmond	6,698	108	30	14	6,560
Harbor Bay	4,536	87	70	7	4,379
South SF	2,736	35	9	7	2,692
Total System	41,699	851	373	52	40,475
% Distribution	100.0%	2.0%	0.9%	0.1%	97.1%

* Excludes trips with Unknown Arrival Status

On-Time Performance & Reliability by Month			
	% of Trips On-Time	% of Scheduled Trips Provided	% of Scheduled Trips Cancelled
Jan	94.1%	99.8%	0.2%
Feb	98.0%	99.7%	0.3%
Mar	96.8%	99.8%	0.2%
Apr	97.0%	99.9%	0.1%
May	97.7%	99.9%	0.1%
June	97.8%	99.9%	0.1%
July	97.9%	99.9%	0.1%
Aug	95.3%	99.9%	0.1%
Sept	98.1%	100.0%	0.0%
Oct	98.0%	100.0%	0.0%
Nov			
Dec			
Year-to-Date Average	97.0%	99.9%	0.1%



*** END ***

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Thomas Hall, Director of Operations & Customer Experience

SUBJECT: Regional Transit Survey Results

Recommendation

There is no recommendation associated with this information item.

Background

In August 2025, staff presented results from its 2025 passenger survey. Directors requested information on how demographics for SF Bay Ferry riders compared to those who ride other regional transit services.

Discussion

The Metropolitan Transportation Commission (MTC) conducted its Snapshot Survey in 2023 and 2024 to establish a baseline of transit rider information in the Bay Area following the disruptions from the COVID-19 pandemic. This was a large-scale, one-time survey sampling riders on 23 regional transit operators, including SF Bay Ferry. In August 2025, [MTC released data from the Snapshot Survey via a public dashboard](#).

Results from MTC's survey of SF Bay Ferry's riders closely matched survey data collected by the agency in its own annual intercept surveys from 2023 and 2024, though Vallejo riders may have been undersampled based on a review of the data. The value in the Snapshot Survey is in comparison between SF Bay Ferry's riders, other riders of transit, and Bay Area residents writ large across several categories.

- **Income distribution:** SF Bay Ferry riders are much more likely than transit riders overall to have household incomes over \$200,000 according to the Snapshot Survey (36% for SF Bay Ferry vs. 12% for all operators). However, SF Bay Ferry's income statistics broadly mirror Bay Area resident demographics (37% with household incomes over \$200,000). Notably, SF Bay Ferry's income distribution was broadly similar to that of Caltrain.
- **Trip purpose:** SF Bay Ferry riders surveyed by MTC were more likely to be traveling for work purposes (63%) than for all operators (45%). School-focused trips, particular for local bus operators, were a significant factor here.
- **Frequency:** Most SF Bay Ferry riders ride less frequently than riders on other transit operators. Just 28% of surveyed ferry passengers reported they ride at least four days per week compared to 57% for all transit operators. However, when considering only weekday riders, approximately as many SF Bay Ferry passengers rode at least once per week (82%) as all transit riders (88%). This may reflect SF Bay Ferry's success in growing weekend and recreational ridership.

- **Personal automobile availability:** SF Bay Ferry riders surveyed are much more likely (76%) than all transit riders (34%) to have access to a personal automobile.
- **Safety perception:** 63% of SF Bay Ferry riders surveyed rated the service a four or five on a 5-point scale for safety, compared with 56% across all transit operators.

Fiscal Impact

There is no fiscal impact for this informational item.

END

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

[November 13, 2025]

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the Bay Area Metro Center at 375 Beale Street, San Francisco, CA and via videoconference.

1. CALL TO ORDER

Chair James Wunderman called the meeting to order at 1:03 p.m.

2. ROLL CALL/PLEDGE OF ALLEGIANCE

Chair James Wunderman, Vice Chair Monique Moyer, Director Jessica Alba, Director Pippin Dew, and Director Michael Henneberry 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 commented that he had hoped that the atmospheric river today was not affecting ferry service.

Chair Wunderman shared that he would be leaving the Bay Area Council at the end of the year, after 21 years, to join California Forever in Solano County but his involvement with the SF Bay Ferry Board would not change. He said that the excitement and opportunity to address housing, jobs, and shipbuilding were of interest to him. He said that creating a shipbuilding opportunity in the region was a big part of the plan.

Chair Wunderman said that he was excited to be christening the next vessel, *MV Zalophus*.

4. REPORTS OF DIRECTORS

Vice Chair Moyer said that she caught some media this morning that profiled SF Bay Ferry, highlighting positive feedback from riders relieved from having to drive under adverse weather conditions. She added a reminder about investing in public transit, noting that she arrived safely via Caltrain with flooding and traffic conditions in the region.

Chair Wunderman hoped to apply lessons learned from past experiences at California Forever.

Director Dew remarked that the Vallejo dredging project appeared to go smoothly.

The Directors congratulated and offered support to Chair Wunderman in his new role and acknowledged his previous contributions and commitment to improving the regional transportation landscape and infrastructure.

5. REPORTS OF STAFF

Executive Director Seamus Murphy congratulated Chair Wunderman and his continued role on the board.

Mr. Murphy invited Emergency Response and Safety Analyst Cameron Bochman to talk about the latest emergency response functional exercise which tested SF Bay Ferry's virtual emergency response operations center platform. Mr. Bochman said that the exercise was designed to encourage active participation and a no-fault learning experience that included SF Bay Ferry's contract operator, Blue & Gold Fleet (Blue & Gold).

Mr. Bochman said that his after-action report was to formally document feedback and plan for next steps including updating the Emergency Operations Plan and Emergency Response Plan.

Mr. Bochman acknowledged the challenge of balancing safety and operational readiness in coordinating emergency response but expressed confidence in responding quickly to incidents after a brief assessment period.

Mr. Murphy asked Government and Regulatory Affairs Manager Lauren Gularte to give a briefing on the legislative reports before inviting Shaw Yoder Antwih Schmelzer & Lange (SYASL) Partners Matt Robinson and Michael Pimentel to provide a more comprehensive state legislative update relating to SF Bay Ferry. Mr. Robinson stated that members are facing a challenging session with a cap of 35 bills imposed by Assembly and Senate leaders, necessitating a focus on legislative priorities. He highlighted a few of the successes including those relating to the regional measure, California Environmental Quality Act (CEQA) exemption, and the Transit and Intercity Rail Capital Program (TIRCP).

Mr. Robinson discussed the Cap-and-Trade Program, the sales and use tax exemption for zero-emission bus purchases that is set to expire at the start of the fiscal year, and the efforts of the Transit Transformation Task Force (TTTF) for a path forward for long-term financial and operational sustainability.

The Directors talked about transit-oriented development opportunities and strategies for receiving funding including specific funding measures for SF Bay Ferry that are separate from other agencies and finding ferry advocates.

The Directors thanked Mr. Robinson and Mr. Pimentel for their work and informative presentation.

Mr. Murphy provided written reports and invited Transportation Planner Gabriel Chan to provide the October ridership report and Chief Capital Program Officer Gary Griggs to provide the quarterly capital program.

Mr. Chan reported a dip in ridership compared to last year due to inclement weather and the reduced activities during Fleet Week.

Mr. Griggs shared his presentation for the fiscal year (FY) 2025/26 capital program that included major accomplishments since the last reporting period, challenges, and a look ahead summary.

Mr. Griggs thanked the capital program team and acknowledged the Board for their leadership and support.

The Directors thanked staff for their reports.

6. CONSENT CALENDAR

Director Dew made a motion to approve the consent calendar:

- a. Approve Board Meeting Minutes – October 9, 2025
- b. Approve Board of Directors Meeting Schedule for Calendar Year 2026

Vice Chair Moyer seconded the motion, and the consent calendar carried unanimously.

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

7. APPROVE AMENDMENTS TO FISCAL YEAR 2025/26 CAPITAL BUDGET

Chief Executive Officer Erin McGrath presented this item recommending approving an amendment to the FY 2025/26 capital budget to provide an additional \$4,380,317 for various capital repair and replacement projects.

Ms. McGrath explained that the changes were minor and were due to timing shifts.

The Directors asked about considering a two-year budget to accommodate the unpredictability of funding timing for large projects. WETA Legal Counsel Steven Miller of Hanson Bridgett LLP replied that legislation required an annual budget.

Director Alba made a motion to adopt Resolution No. 2025-41 approving this item.

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

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

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

8. REQUEST FOR PROPOSAL FOR NEW FERRY OPERATIONS & MAINTENANCE AGREEMENT

Mr. Murphy discussed key evaluation criteria important for decision making before introducing Director of Operations and Customer Experience Thomas Hall to provide some background and the development of the request for proposal (RFP).

Mr. Murphy acknowledged fiscal sustainability issues in the evaluation process and stated that labor protections would be maintained requiring the successful proposer to operate under the conditions of the collective bargaining agreement (CBA) consistent with the 2011 RFP.

Mr. Hall reminded the Board that the original contract was initially awarded to Blue & Gold in 2011 for a ten-year period and was extended by five years during the pandemic to ensure workforce stability. SF Bay Ferry engaged Maritime Consulting Partners (MCP) to assist in developing an RFP and transitioning to a new agreement, emphasizing the importance of fairness and transparency. He acknowledged the ad hoc committee of Chair Wunderman and Vice Chair Moyer for their valuable feedback and guidance on policy issues throughout the process.

Mr. Hall shared his presentation which included the process used to develop the RFP, the evaluation criteria designed to fulfill guiding principles, and the timeline of the RFP process.

Mr. Hall asked Mr. Miller to speak about communication protocols during the period between public issuance of the RFP and recommendation of award. Mr. Miller stated that to prevent disqualification risks and allow the Board to deliberate without biases that a 'cone of silence' period will be implemented restricting communication regarding the RFP applicable to all parties. He advised the

Board to redirect any communications received during this period to the Executive Director to maintain the integrity of the process.

Mr. Hall stated that emergency services are included in the scope of services along with emergency training requirements and the general funding sources in response to Director Dew.

Mr. Hall said that adjusting fixed and overhead costs based on fluctuations within a range of operating hours and level of service would be negotiated in response to unforeseen circumstances expressed by Chair Wunderman, emphasizing key protections under the CBA.

Mr. Hall outlined the vetting and negotiation process anticipating negotiating with the highest-ranking proposer with the possibility of soliciting revised proposals or revisiting initial rankings if negotiations do not proceed favorably.

Director Henneberry emphasized that the current CBA was valid until 2029 and received confirmation from Mr. Murphy that the new vendor must adhere to the current CBA unless a mutual decision to change terms is negotiated with employee representatives.

Vice Chair Moyer requested clarification on the worker retention criterion and the grading for relevant experience.

Mr. Hall stressed the value of retaining existing frontline staff with the workforce retention criterion to maintain operational effectiveness. He said the focus would be on assessing the firm's management capabilities and experience and finding efficiencies at the management and administrative level and understanding emergency response, labor relationships, and workforce development needs.

PUBLIC COMMENT

Member of the Public Isabelle Hodge asked for some clarity about commenting on the recommendation.

International Organization of Masters, Mates & Pilots (MM&P) Regional Representative Northern California Sly Hunter, also representing the Inlandboatmen's Union of the Pacific (IBU) requested postponing action on item 8 to allow for further discussions on labor protections and the remedy for dispute.

Blue & Gold President Patrick Murphy suggested considering additional operational experience points.

Mr. Murphy acknowledged that the clarity of the response regarding labor protections could be improved. He said that the 10 percent evaluation component ensures job security for the existing workforce and 35 percent for price was appropriate to enhance service cost efficiencies.

Mr. Miller explained that the CBA outlines who has priority if there is a reduction in staff.

The Directors thanked staff for their thoughtfulness and efforts on the RFP.

Vice Chair Moyer made a motion approving this item following a meeting with MM&P and IBU before issuing the RFP.

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

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

9. APPROVE AMENDMENTS TO THE SF BAY FERRY PASSENGER CODE OF CONDUCT

Customer Experience Specialist Rafael Regan presented this item recommending approving amendments to the SF Bay Ferry Passenger Code of Conduct (Code) including its associated enforcement policy.

Mr. Regan stated that the Code was being updated to reflect evolving operational conditions and passenger expectations.

The Directors expressed the possibility of reevaluating the term “recreational” regarding the classification and enforcement of mobility devices.

Mr. Bochman said that a standardized policy was needed to move toward improving consistency and clarity in policy enforcement.

Director Dew made a motion to adopt Resolution No. 2025-42 approving this item, noting the change from WETA to SF Bay Ferry in the first paragraph.

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

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

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

11. PUBLIC COMMENTS FOR NON-AGENDA ITEMS

Chair Wunderman called for public comments for non-agenda items, and there were none.

With all business concluded, Chair Wunderman adjourned the meeting at 3:50 p.m.

- Board Secretary

END

MEMORANDUM

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, 2025**

Recommendation

Receive Annual Financial Reports for the fiscal year ending June 30, 2025, 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

Background

Section IV. F of the Administrative Code requires the Chief Financial Officer to submit to the Board the annual audited reports and financial statements prepared by an independent auditor as required by 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 SF Bay Ferry'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, 2025 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 they "did not identify any deficiencies in internal control that [they] consider to be material weaknesses" and further that there were "no significant difficulties" in dealing with management related to the completion of the audit and 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, 2025. 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 59 of the attachment) provides their opinion that SF Bay Ferry'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, 2025, 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, the Authority's net position – which is essentially the amount that assets exceed liabilities – was \$513 million at June 30, 2025, a 5% increase from the prior fiscal year.

The report also reflects the positive change in operating revenues (primarily fare revenue) from the prior year, from \$12.9 million to \$15.1 million due to the continuing growth of ridership. It also shows the continued importance of operating support from sources other than fares, which increased over the year from \$48 to \$59 million, consisting primarily of RM2, RM3, Measure J, and State Transit Assistance. This growth in transit assistance was primarily due to the increased use of State Transit Assistance to support operations while fare revenues were transferred to the Board-approved reserve account.

Operating expenses as shown in the MDA are \$66.4 million, an increase of \$5.7 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 14 of the Report, 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 \$86 million. Capital expenses for the year were \$38.5 million, an amount that is added to SF Bay Ferry's capital assets which total \$473 million (net of depreciation).

The statements include detailed information explaining pension expense and liabilities for SF Bay Ferry's participation in the CalPERS retirement system. It also includes financial information regarding the funding of future retiree benefits related to SF Bay Ferry'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 SF Bay Ferry'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 SF Bay Ferry and the Alameda County Transportation Commission. SF Bay Ferry expended \$37,610 in Measure B funding and \$658,894 from Measure BB. Projects supported by Alameda County funds were primarily the early work on electrification of various Alameda terminals. The fund statements conclude with an Auditors opinion that SF Bay Ferry complied with the laws and regulations, contracts, and grant requirements related to Measure B and Measure BB funds for the year ended June 30, 2025.

Single Audit Report

The Single Audit Report, which is required to audit use of federal funds, and would normally be included in the reports provided, is not yet complete for review. This is due to a delay by the Office of Management and Budget in releasing the 2025 Compliance *Supplement* that is needed for Maze's review. We expect that report to be finalized prior to March 31, 2026, the federal deadline for submission of the report.

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

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, 2025, 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".

Pleasant Hill, California
November 25, 2025

**SAN FRANCISCO
BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED
JUNE 30, 2025**

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

REQUIRED COMMUNICATIONS

For The Year Ended June 30, 2025

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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, 2025. 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 10, 2025. 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 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 101 – Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The Pronouncement became effective and the District recorded a slight increase in compensated absences for a portion of sick leave, but did not have a material effect on the financial statements.

GASB 102 – *Certain Risk Disclosures*

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making Commission. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

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 affecting the Authority's financial statements was:

Estimated Fair Value of Investments: As of June 30, 2025, the Authority held approximately \$21 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, 2025. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2025.

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. The District passed on restating prior year financial statements for the implementation of GASB 101, *Compensated Absences*, as the retroactive change was clearly immaterial.

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 25, 2025.

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 Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Pleasant Hill, California
November 25, 2025

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

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

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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, 2025, 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, 2025, 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 25, 2025, 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 25, 2025

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, 2025. 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 \$513 million on June 30, 2025, a 5% increase from June 30, 2024.

The chart below summarizes the Authority’s net position as of June 30, 2025, and compares assets and liability categories to the prior year. A discussion of some of the most significant balances follows the chart.

	2025	2024
Assets:		
Current and other assets	\$52,947	\$43,108
Capital assets	473,849	456,980
Total assets	\$526,797	\$500,089
Deferred Outflows of Resources:	\$1,170	\$1,325
Liabilities:		
Current liabilities	\$9,481	\$9,508
Unearned/deferred revenue	3,209	3,380
Other noncurrent liabilities	1,307	1,279
Total liabilities	\$13,997	\$14,168
Deferred Inflows of Resources:	\$894	\$1,065
Net Position:		
Net investment in capital assets	\$473,849	\$456,980
Restricted	14,382	13,119
Unrestricted	24,843	16,082
Total net position	\$513,075	\$486,181

The Authority's assets totaled \$527 million on June 30, 2025, consisting of \$53 million in current assets such as cash and receivables, and \$474 million in capital assets. Deferred Outflows of \$1.2 million are related to future pension and other post-employment benefits (OPEB)-related expenses.

Liabilities of \$14 million consist of current and non-current liabilities, and deferred or unearned revenue. Current liabilities decreased slightly due to the timing of year end pending invoices on June 30th. These liabilities are generally resolved in the weeks following the close of the fiscal year. Noncurrent liabilities are made up of revenue received prior to eligible expenses as well as pension and compensation liabilities. Deferred Inflows of \$894,000 are related to the value of funds set up to pay future longevity stipends and other retirement liabilities.

The largest portion of the Authority's net position (92%) 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 SF Bay Ferry system. Increases in capital assets (4%) are the result of the combination of depreciation (which decreases value) 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, primarily consisting of Alameda County tax funds. These assets increased by 10% during the year. The remaining unrestricted net position, \$24.8 million, increased significantly (54%) over the prior year due to the implementation of a new reserve policy. This amount 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. The Authority has implemented a new GASB rule in 2025 related to recording of sick leave accruals as a liability. This change is reflected in the financials but did not have a significant impact on the financial condition of the Authority.

FISCAL YEAR 2025 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, 2025, as compared to June 30, 2024:

Statement of Activities and Changes In Net Position

(in thousands)

	<u>2025</u>	<u>2024</u>	Favorable/ (Unfavorable) Change From 2024
Operating revenues	\$15,146	\$12,904	\$2,242
Operating expenses	<u>(66,414)</u>	<u>(60,710)</u>	<u>(5,704)</u>
Loss before depreciation and other non-operating revenues and expenses	(51,268)	(47,807)	(3,462)
Depreciation	<u>(20,071)</u>	<u>(16,524)</u>	<u>(3,547)</u>
Operating loss	(71,339)	(64,330)	(7,008)
Other non-operating revenues and expenses, net	<u>59,733</u>	<u>48,257</u>	<u>11,475</u>
Loss before capital contribution	(11,606)	(16,073)	4,467
Capital contributions	<u>38,500</u>	<u>29,091</u>	<u>9,409</u>
Change in Net Position	26,894	13,018	13,876
Net Position, beginning	<u>486,181</u>	<u>473,162</u>	<u>13,019</u>
Net Position, ending	<u>\$513,075</u>	<u>\$486,181</u>	<u>\$26,894</u>

Operating revenues and expenses are further discussed below. This table reflects preferred GASB format and does not show whether the Authority ended the fiscal year within its budget. 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 in this and most transit operating financial statements is to show an operating loss in this table.

Revenues

A summary of revenues for the year ended June 30, 2025, and the amount of change in relation to prior year amounts (in thousands) is as follows:

	<u>2025</u>	<u>2024</u>	<u>Increase/ (Decrease) From 2024</u>
Operating Revenues:			
Alameda Harbor Bay Ferry Service	\$1,166	\$1,036	\$131
Alameda / Oakland Ferry Service	3,535	3,154	381
Vallejo Ferry Service	6,777	5,721	1,056
South San Francisco Ferry Service	689	399	290
Richmond Ferry Service	1,334	1,139	195
Seaplane Lagoon	<u>1,644</u>	<u>1,455</u>	<u>189</u>
Total operating revenues	<u>\$15,146</u>	<u>\$12,904</u>	<u>\$2,242</u>
Non-operating Revenues:			
Operating assistance	\$59,245	\$48,005	\$11,240
Investment / Interest Income	<u>488</u>	<u>253</u>	<u>235</u>
Total non-operating revenues	<u>\$59,733</u>	<u>\$48,257</u>	<u>\$11,475</u>
Capital contributions:	<u>38,500</u>	<u>29,091</u>	<u>9,409</u>
Total Revenues	<u>\$113,379</u>	<u>\$90,252</u>	<u>\$23,127</u>

- Revenue generated from operations (farebox revenue) increased in 2025 by \$2.2 million or 17% from the prior year as the Authority experienced continued ridership growth.
- Non-operating revenues (operating support) increased by \$11.5 million or 24%. This increased reliance on transit assistance was primarily due to the increased use of State Transit Assistance to support operations while fare revenues were transferred to a newly increased reserve account.
- Capital grants and contributions from Federal, State, and Local governments increased by \$9 million, or 32%, attributed primarily to increased capital project activities on ferry and terminal projects.

Expenses

The chart below shows a summary of expenses for the year ended June 30, 2025 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 information in the revenue table.

	2025	2024	Increase/ (Decrease) From 2024
Operating Expenses:			
Alameda Harbor Bay Ferry Service	\$ 4,994	\$ 5,110	\$ (117)
Alameda / Oakland Ferry Service	12,619	12,174	445
Vallejo Ferry Service	20,478	19,094	1,384
South San Francisco Ferry Service	4,429	4,807	(378)
Richmon Ferry Service	9,907	9,225	682
Seaplane Lagoon Ferry Service	6,482	6,345	137
Hydrogen Demonstration Project	1,579	922	657
Alameda Oakland Demonstration	856	68	788
Planning & Administration	5,064	2,967	2,098
Total Operating Expenses	\$ 66,407	\$ 60,711	\$ 5,696

Total operating expenses, before depreciation, increased by \$5.7 million, or 9%, over the prior year as a result of a new demonstration ferry route and continued increases in the cost of operating labor and materials.

CAPITAL INVESTMENT ACTIVITIES

During the year ending June 30, 2025, the Authority expended \$37 million on capital activities. (See Note 4 for further information.) This included the following notable project expenses:

- Vessel Replacement – *MV Solano* \$15.3 million
- Vessel Replacement - *MV Bay Breeze* - \$18 million
- Downtown San Francisco Electrification - \$1.7 million
- New 150 Passenger Zero Emission Vessels (3) - \$6.6 million
- New 400 Passenger Zero Emission Vessels (2) - \$8.6 million
- Vessel Refurbishments and Overhauls (multiple) - \$5.9 million

PROGRAM INITIATIVES AND OUTLOOK

In 2025, the Authority's program saw continued ridership growth and new patterns following the pandemic's end. At the close of the Fiscal Year, ferry ridership had increased 13.5% over the prior fiscal year to more than 2.6 million riders. The ferry system operated for almost 30,000 revenue hours, traveling nearly 527,000 miles in passenger service.

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, the Authority has begun implementation of a \$500 million, multi-year capital program for zero emission ferry service. During the past year, contracts were secured to construct five zero emission passenger vessels in order to meet climate goals set by the State. Contract awards for necessary charging infrastructure at multiple terminals are anticipated in Fiscal Year 2026.
- **Demonstration Projects** – In response to new commute and ridership patterns, the Authority continues to develop and implement short-term demonstration projects to test new technology and new services designed to increase ridership. A public-private partnership in Alameda to operate high-frequency service across the Oakland Estuary started in 2025 and will continue through 2026. This popular, free service operated by SF Bay Ferry carried over 105,000 passengers through June 30, 2025.
- **Operations Planning** -- While other regional transit agencies face significant near-term fiscal challenges, Regional Measure 3 Bridge Toll revenue is a continued source of funds to provide robust ferry service to the Bay Area. This significant subsidy provided 42 percent of the Authority's operating revenue. In addition, the Authority began a major effort to procure an operating contractor for the next 10 years. The current SF Bay Ferry contract with the Blue and Gold Fleet expires at the end of 2026 and the goal of the current competitive process is to award a new contract in advance of that expiration.
- **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. The business plan will also include a comprehensive implementation and financial plan laying forth a roadmap for fiscal stability and delivery of the Service Vision adopted by the Board in 2025. A final business plan will be presented to the Board in 2026, marking the conclusion of this multi-year initiative.
- **Passenger Experience** – Following the launch of a new SF Bay Ferry website and onboard information system, in 2025, the Authority procured a new onboard advertising vendor to generate revenue from local and national brands. The agency also coordinated with Blue & Gold Fleet for a new onboard concessionaire, providing improved snack and beverage options for riders on all trips. In the summer of 2025, ridership numbers passed pre-pandemic levels for the first time and that number continues to grow. Customer satisfaction, as measured by an onboard survey, remained at an industry-leading 98% level.

- **Emergency Response Program and Training** – In the year ending June 30, 2025, the Authority strengthened its emergency preparedness by developing and implementing a comprehensive staff training plan, conducting quarterly communication system tests, and completing an internal full-scale functional exercise to improve readiness. The agency also completed procurement of a five-year emergency response planning support firm. Staff training and communication testing will continue in the coming year as well as participation in the San Francisco International Airport regional emergency exercise and working with Golden Gate Ferry to practice fueling and passenger loading at their Tiburon facility to strengthen regional maritime response capabilities. Additional priorities in the near future include upgrading the San Francisco Emergency Operations Center as a result of the relocation of administrative staff move to the seismically safe Beale Street location.

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 375 Beale St, Suite 310, San Francisco, CA 94105.

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	
Current Assets	
Cash and cash equivalents (Note 3)	\$21,414,323
Receivables:	
Accounts	22,653,322
Interest	159,076
Security deposit	76,432
Inventory	10,754
Prepaid expenses	<u>8,127,756</u>
Total Current Assets	<u>52,441,663</u>
Noncurrent Assets	
Net Pension Asset (Note 9)	134,090
Net OPEB Asset (Note 10)	371,633
Capital assets, net of accumulated depreciation (Note 4):	
Construction in progress	63,490,263
Depreciable capital assets, net	
Ferries	165,931,654
Terminal development rights	2,595,318
Floats, piers and gangways	7,147,424
Ferry terminal and facilities	234,524,237
Equipment and service vehicles	<u>160,599</u>
Total Capital Assets, net	<u>473,849,495</u>
Total Noncurrent Assets	<u>474,355,218</u>
Total Assets	<u>526,796,881</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions (Note 9)	1,154,767
Related to OPEB (Note 10)	<u>14,945</u>
Total Deferred Outflows of Resources	<u>1,169,712</u>
LIABILITIES	
Current Liabilities	
Accounts payable	8,929,385
Other accrued liabilities	281,203
Compensated absences (Note 2C)	<u>269,914</u>
Total Current Liabilities	<u>9,480,502</u>
Noncurrent Liabilities	
Compensated absences (Note 2C)	285,160
Collective net pension liability (Note 9)	1,022,269
Unearned revenue - State Appropriation (Note 5A)	1,204,305
Unearned revenue - Other	299,390
Unearned revenue - STA-SGR (Note 5F)	223,540
Unearned revenue - LCTOP (Note 5G)	<u>1,481,677</u>
Total Noncurrent Liabilities	<u>4,516,341</u>
Total Liabilities	<u>13,996,843</u>
DEFERRED INFLOWS OF RESOURCES	
Related to pensions (Note 9)	601,783
Related to OPEB (Note 10)	<u>292,689</u>
Total Deferred Inflows of Resources	<u>894,472</u>
NET POSITION (Note 8)	
Net investment in capital assets	473,849,495
Restricted	14,382,460
Unrestricted	<u>24,843,323</u>
Total Net Position	<u>\$513,075,278</u>

See accompanying notes to financial statements

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES

Farebox revenue	\$15,094,079
Other revenue	51,770
	<u>15,145,849</u>
Total Operating Revenues	<u>15,145,849</u>

PROGRAM OPERATING EXPENSES

Personnel costs	5,785,697
Operating/Administrative expenses	17,030,399
Legal and consulting	2,198,253
Purchased transportation	38,604,176
Insurance premiums	2,795,602
Depreciation (Note 4)	20,070,582
	<u>86,484,709</u>
Total Program Operating Expenses	<u>86,484,709</u>

OPERATING LOSS (71,338,860)

NON-OPERATING REVENUES (EXPENSE)

Metropolitan Transportation Commission	41,759,286
State of California	11,955,728
Contra Costa Transportation Authority	3,866,624
Local operating assistance - other	1,428,123
Federal capital assistance - other	48,165
City of Alameda	358,247
Loss on disposition on capital assets	(171,541)
Interest/Investment earnings	488,173
	<u>59,732,805</u>
Total Non-operating Revenues	<u>59,732,805</u>

CAPITAL GRANTS AND CONTRIBUTIONS

State of California	2,301,628
Federal Transit Administration	25,328,484
Alameda County Transportation Commission	2,085,237
City of Alameda	16,753
Metropolitan Transportation Commission	8,768,214
	<u>38,500,316</u>
Total Capital Grants and Contributions	<u>38,500,316</u>

CHANGE IN NET POSITION 26,894,261

NET POSITION - BEGINNING 486,181,017

NET POSITION - ENDING \$513,075,278

See accompanying notes to financial statements

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$15,145,849
Payments to vendors and consultants	(61,594,336)
Payments to or on behalf of employees	<u>(5,602,270)</u>
Net cash flows from (used for) operating activities	<u>(52,050,757)</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES

Intergovernmental collections	<u>48,651,017</u>
Net cash flows from noncapital and related financing activities	<u>48,651,017</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grant receipts used for capital activities	38,377,272
Payments for capital assets	<u>(37,111,581)</u>
Net cash flows from (used for) capital and related financing activities	<u>1,265,691</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest receipts	<u>547,887</u>
Net cash flows from (used for) investing activities	<u>547,887</u>
Net cash flows	(1,586,162)

Cash and cash equivalents- beginning of year	<u>23,000,485</u>
Cash and cash equivalents - end of year	<u><u>\$21,414,323</u></u>

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

Operating loss	(\$71,338,860)
Depreciation	20,070,582
Change in assets and liabilities:	
Inventory	82,461
Prepaid expenses	(895,481)
Net OPEB asset	81,958
Accounts payable	700,627
Other accrued liabilities	(853,513)
Compensated absences	176,621
Net Pension liability (asset)	(59,657)
Deferred outflows/inflows	<u>(15,495)</u>

Net cash flows used for operating activities	<u><u>(\$52,050,757)</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, 2025**

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, 2025**

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 vacation and administration leave, and a portion of sick leave, and are recorded as an expense when earned. The accrued liability for unused compensated absences is computed using current employee pay rates.

The changes in compensated absences were as follows:

Balance at June 30, 2024	\$378,453
Net change	<u>176,621</u>
Balance at June 30, 2025	<u><u>\$555,074</u></u>
Due within one year	<u><u>\$269,914</u></u>
Due in more than one year	<u><u>\$285,160</u></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, 2025**

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, 2025, 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, 2025, 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, 2025**

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments comprised of the following at June 30, 2025:

Investment Type	Total
California Local Agency Investment Fund	\$13,919,963
<i>Held by Trustees:</i>	
Money Market Mutual Fund	6,617,054
Total Investments	20,537,017
Cash in banks and on hand	877,306
Total Cash and investments	\$21,414,323

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 (under \$100 million)	270 Days	Highest	25%	10%
Commercial Paper - Non-Pooled Funds (\$100 million minimum)	270 Days	Highest	40%	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, 2025**

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 248 and 43 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, 2025**

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, 2025:

	Balance as of June 30, 2024	Additions	Transfers	Adjustments	Balance as of June 30, 2025
Capital assets not being depreciated:					
Construction in progress	\$55,574,721	\$37,111,581	(\$29,196,039)		\$63,490,263
Total assets not being depreciated	55,574,721	37,111,581	(29,196,039)		63,490,263
Capital assets being depreciated:					
Ferries	250,998,328		25,478,518		276,476,846
Terminal development rights	3,660,000				3,660,000
Floats, piers and gangways	16,077,607				16,077,607
Ferry terminal and facilities	277,015,742		3,717,521	(\$171,541)	280,561,722
Equipment and service vehicles	1,631,777				1,631,777
Total assets being depreciated	549,383,454		29,196,039	(171,541)	578,407,952
Less accumulated depreciation for:					
Ferries	(98,725,346)	(11,819,846)			(110,545,192)
Terminal development rights	(998,136)	(66,546)			(1,064,682)
Floats, piers and gangways	(8,471,370)	(458,813)			(8,930,183)
Ferry terminal and facilities	(38,357,330)	(7,680,155)			(46,037,485)
Equipment and service vehicles	(1,425,956)	(45,222)			(1,471,178)
Total accumulated depreciation	(147,978,138)	(20,070,582)			(168,048,720)
Net capital assets being depreciated	401,405,316	(20,070,582)	29,196,039	(171,541)	410,359,232
Capital Assets, Net	\$456,980,037	\$17,040,999		(\$171,541)	\$473,849,495

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 4 – CAPITAL ASSETS (Continued)

The Authority has various projects. Construction in progress as of June 30, 2025 includes the following projects:

<u>Project Name</u>	<u>Balance as of June 30, 2025</u>
Vessel Replacement - MV Solano	\$15,286,853
Vessel Replacement - MV Bay Breeze	18,045,808
Downtown San Francisco Electrification	1,705,303
New 150 Passenger Zero Emission Vessels (3)	6,592,365
New 400 Passenger Zero Emission Vessels (2)	8,603,707
Vessel Refurbishments and Overhauls (Multiple)	5,860,003
Multiple projects under \$1 Million	7,396,224
Total	<u><u>\$63,490,263</u></u>

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, 2025, the appropriation has a balance as follows:

Original appropriation	\$12,000,000
Net expenses as of June 30, 2025	<u>(10,859,573)</u>
Unearned appropriation as of beginning of period	1,140,427
Fiscal year 2025:	
Add: Interest income	63,971
Less: Expended	<u>(93)</u>
Unearned appropriation as of period end	<u><u>\$1,204,305</u></u>

**SAN FRANCISCO BAY AREA
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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 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, 2025, the Authority expended a total of \$3,529,203 for ferry capital projects. Of the total 2024 receivable balance and 2025 expenditures, the Authority received \$3,494,750 in cash prior to June 30, 2025.

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. RM2 funds transportation projects that reduce congestion or make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004). Specifically, RM2 identified specific transit operating assistance and capital projects and programs eligible to receive RM2 funding. The Authority was allocated \$12,918,018 to be used for operations in the fiscal year 2024-25. As of June 30, 2025, the Authority has expended total current allocated operating funds of \$12,918,018. RM2 funding is also provided for Planning and Administration of ferry service and \$2,532,945 was allocated and spent in the fiscal year 2024-25.

Regional Measure 3 (RM3) - Regional Measure 3 (RM3), which was authorized by the Legislature and approved by voters in 2018 to finance a comprehensive suite of highway and transit improvements known as the Bay Area Traffic Relief Plan through a three-step increase in tolls at the region’s seven state-owned toll bridges. The first of these \$1 hikes went into effect on Jan 1, 2019, followed by another \$1 boost on Jan 1, 2022. The final RM 3 toll increase occurred in January 2025. RM3 provides up to \$35 million annually for ferry operations and a total of \$300 million for ferry capital projects.

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 vehicles and improving capital facilities. As of June 30, 2025, the Authority expended total allocated funds of \$1,343,629. Of the total 2024 receivable balance and 2025 expenditures, the Authority received \$768,106 prior to June 30, 2025.

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – MAJOR FUNDING SOURCES (Continued)

C. 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) which allocates 0.05% to the Authority.

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, 2025, the Measure B and Measure BB program activity was as follows:

	<u>Measure B</u>	<u>Measure BB</u>
Program Revenues:		
Direct Local Program Distribution Allocation		\$1,848,611
Interest Earned - Measure B/BB Distribution	\$37,610	199,017
Total Measure B/BB Revenues	<u>37,610</u>	<u>2,047,628</u>
Program Expenditures:		
Construction / Capital:		
Terminal Rehabilitation - Alameda Main Street	180,290	
Replacement Vessel - M/V Bay Breeze		(4,795)
Central Bay Electrification Landslide		(33,854)
Seaplane Retrofit UCF		(55,472)
Harbor Bay New UCF	(1,112)	(115,796)
Seaplane Electrification Landslide	(53,083)	(38,953)
Harbor Bay Electrification Landslide	(101,392)	(272,984)
Oakland Electrification Landslide	<u>(62,313)</u>	<u>(137,040)</u>
Total Direct Local Distribution Program Expenditures	<u>(37,610)</u>	<u>(658,894)</u>
Revenue Over Expenditures/ Excess Net Change in Fund Balance		<u>1,388,734</u>
Fund Balance:		
Beginning Fund Balance		<u>5,062,209</u>
Ending Fund Balance		<u><u>\$6,450,943</u></u>

**SAN FRANCISCO BAY AREA
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 5 – MAJOR FUNDING SOURCES (Continued)

D. 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 2025, the Authority utilized \$25,328,484 in federal funds for ferry service-related capital projects.

The Authority also receives smaller sums related to non-recurring program expenses that are detailed in its federal Single Audit report.

E. 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 \$11,664,129 in STA funding and incurred \$11,955,635 in expenditures. The Authority recorded a balance of unspent STA proceeds of \$0 as of June 30, 2025. Total funding allocated to the Authority since inception, as of June 30, 2025, is \$14,902,383.

Program Fund Balance - Beginning of Year	\$291,506
Program Revenues:	
Allocation Received - FY2024-25	11,664,129
Total Program Revenues	<u>11,664,129</u>
Program Expenditures:	
Transit Operating Expenditures	(11,955,635)
Total Program Expenditures	<u>(11,955,635)</u>
Program Fund Balance - End of Year	<u><u>\$0</u></u>

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
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For the Year Ended June 30, 2025**

NOTE 5 – MAJOR FUNDING SOURCES (Continued)

F. State Transit Assistance (STA) - State of Good Repair (STA-SGR)

The Road Repair and Accountability Act of 2017, Senate Bill 1 (SB 1), includes a program that provides 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 \$475,074 in SGR funding and incurred \$1,473,985 SGR expenditures. The Authority recorded a balance of unspent SGR proceeds and interest of \$223,540 as of June 30, 2025. Total funding allocated to the Authority since inception, as of June 30, 2025, is \$2,965,588.

Program Fund Balance - Beginning of Year	\$1,164,762
Program Revenues:	
Allocation Received - FY 2024-25	475,074
Interest Earned	57,689
Total Program Revenues	532,763
Program Expenditures:	
Water Jet Equipment	(596,425)
Vessel Replacement - M/V Solano	(306,379)
Vessel Replacement - M/V Bay Breeze	(512,563)
Vallejo Terminal Dredging	(58,618)
Total Program Expenditures	(1,473,985)
Program Fund Balance - End of Year	\$223,540

G. 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 \$714,349 in LCTOP funding and incurred \$89,065 LCTOP expenditures. Total funding allocated from the LCTOP program to the Authority is \$3,868,938 as of June 30, 2025. The Authority recorded a balance of unspent LCTOP funding and interest of \$1,481,677 as of June 30, 2025.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

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.

**SAN FRANCISCO BAY AREA
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 7 – RISK MANAGEMENT

The Authority purchased the following insurance policy coverage for fiscal year 2025:

<u>Type of Coverage</u>	<u>Limit</u>	<u>Deductible</u>
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 BB revenues and Alameda Local Property Tax/Assessments.

Unrestricted describes the portion of Net Position which may be used for any Authority purpose.

The Authorities Board approved a reserve policy for unrestricted net position in April 2024, allowing for two months of operating expenses to be reserved. The Authority will maintain one reserve account containing the sum of two months of operating costs and two months of average capital expenses, as approved under the policy. The goal of establishing and maintaining a Reserve Policy is to establish adequate reserves to assist in strong fiscal management and provide sufficient working capital so that the Authority is in a strong financial position that will allow for it to better respond to unanticipated fiscal challenges and risks, such as negative economic and/or financial trends.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

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.

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	\$936,435	\$1,022,269	\$282,706
Water Emergency Transportation Authority Plan	218,332	(112,126)	303,549
Replacement Benefit Plan		(21,964)	15,528
	<u>\$1,154,767</u>	<u>\$888,179</u>	<u>\$601,783</u>

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

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, 2025 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	14.13%	7.68%
Required UAL contribution	\$40,035	\$2,133

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 (UAL) and side fund. The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The Authority elected to make semimonthly contributions and the required contributions for the unfunded liability was \$42,168 in the fiscal year 2025, as shown in the table above.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
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NOTE 9 – PENSION PLAN (Continued)

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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contributed requirements that are identified by the pension plan towards plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2025, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous
	Tier I & Tier II
Contributions - employer	\$550,186
Contributions - employee (paid by employer)	372,671

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, 2025, 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	\$1,022,269
Total Net Pension Liability (Asset)	\$1,022,269

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9 – PENSION PLAN (Continued)

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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2023 and 2024 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2023	0.0209%
Proportion - June 30, 2024	0.0211%
Change - Increase (Decrease)	<u>0.0002%</u>

For the year ended June 30, 2025, the Authority recognized a pension expense of (\$243,514). As of June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made after the measurement date	\$550,186	
Differences between actual and expected experience	88,385	(\$3,449)
Changes in assumptions	26,274	
Net differences in actual contributions and proportionate contributions		(169,609)
Net differences between projected and actual earnings on pension plan investments	58,851	
Adjustments due to changes in proportion	212,739	(109,648)
Total	<u>\$936,435</u>	<u>(\$282,706)</u>

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

Deferred outflows of \$550,186 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, 2026. 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
2026	(\$67,924)
2027	163,520
2028	28,115
2029	(20,168)
Total	\$103,543

Actuarial Assumptions – For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

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 expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

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 liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority’s proportionate share of the net pension liability 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:

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability (Asset)	\$2,815,436
Current Discount Rate	6.90%
Net Pension Liability (Asset)	\$1,022,269
1% Increase	7.90%
Net Pension Liability (Asset)	(\$453,771)

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, 2025:

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

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

Employees Covered by Benefit Terms – Membership in the Replacement Benefit Plan consisted of the following at the measurement date of June 30, 2025:

Inactive employees or beneficiaries currently receiving benefit payments	1
Total	1

Actuarial Methods and Assumptions – The Authority’s net pension asset was measured as of June 30, 2025 and the total pension liability used to calculate the net pension asset 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:

	Retirement Plan
Valuation Date	June 30, 2023
Measurement Date	June 30, 2025
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%

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

	Replacement Benefit Plan
Valuation Date	June 30, 2023
Measurement Date	June 30, 2025
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%

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.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

Changes in Net Pension Liability

The changes in the net pension liability for the Retirement 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, 2024 (June 30, 2024 measurement date)	\$2,328,406	\$2,400,546	(\$72,140)
Changes Recognized for the Measurement Period:			
Service cost	68,038		68,038
Interest	130,461		130,461
Difference between expected and actual experience			-
Changes of assumptions			-
Contributions from the employer			-
Net investment income		248,485	(248,485)
Benefit payments and refunds	(48,821)	(48,821)	
Administrative expenses		(10,000)	10,000
Net Changes	<u>149,678</u>	<u>189,664</u>	<u>(39,986)</u>
Balance at June 30, 2025 (June 30, 2025 measurement date)	<u>\$2,478,084</u>	<u>\$2,590,210</u>	<u>(\$112,126)</u>

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, 2024 (June 30, 2024 measurement date)	\$417,416	\$442,645	(\$25,229)
Changes Recognized for the Measurement Period:			
Interest	22,498		22,498
Difference between expected and actual experience			-
Changes of assumptions			-
Contributions from the employer		16,742	(16,742)
Net investment income		42,663	(42,663)
Benefit payments and refunds	(16,742)	(16,742)	-
Adjustment*		(30,172)	30,172
Administrative expenses		(10,000)	10,000
Net Changes	<u>5,756</u>	<u>2,491</u>	<u>3,265</u>
Balance at June 30, 2025 (June 30, 2025 measurement date)	<u>\$423,172</u>	<u>\$445,136</u>	<u>(\$21,964)</u>

*Corrections for Prior year benefit payments

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

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%	Current Discount	Discount Rate +1%
	(4.50%)	Rate (5.50%)	(6.50%)
Net Pension Liability	\$319,264	(\$112,126)	(\$459,379)

	Replacement Benefit Plan's Net Pension Liability/(Asset)		
	Discount Rate -1%	Current Discount	Discount Rate +1%
	(4.50%)	Rate (5.50%)	(6.50%)
Net Pension Liability	\$39,294	(\$21,964)	(\$71,905)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2025, the Authority recognized pension expense of \$102,125 related to the Retirement Plan. At June 30, 2025, the Authority reported deferred outflows and inflows of resources related to Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$139,922	\$205,010
Changes in assumptions	78,410	
Net difference between projected and actual earnings on plan investments		98,539
Total	\$218,332	\$303,549

For the year ended June 30, 2025, the Authority recognized pension expense of \$11,171 related to the Replacement Benefit Plan. At June 30, 2025, the Authority reported deferred outflows and inflows of resources related to Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$0	\$15,528
Total	\$0	\$15,528

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 9 – PENSION PLAN (Continued)

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
2026	\$42,985
2027	(28,276)
2028	(25,204)
2029	(60,122)
2030	(14,600)
Total	(\$85,217)

Replacement Benefit Plan	
Measurement Period Ended June 30	Annual Amortization
2026	\$4,993
2027	(8,999)
2028	(7,470)
2029	(4,052)
Total	(\$15,528)

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, 2025, the Authority’s contributions to the Plan were \$8,387.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2025:

Active plan members	34
Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	7
Total	44

B. Net OPEB Asset

Actuarial Methods and Assumptions – The Authority’s net OPEB asset was measured as of June 30, 2025 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, 2025
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	CalPERS 2000-2019 experience study
Mortality Improvement	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

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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%

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.

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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, 2024	\$1,060,710	\$1,514,301	(\$453,591)
Service cost	197,628		197,628
Interest	78,386		78,386
Contributions from the employer		8,387	(8,387)
Net investment income		186,904	(186,904)
Benefit payments and refunds	(8,331)	(8,331)	
Administrative expenses		(1,235)	1,235
Net Changes	<u>267,683</u>	<u>185,725</u>	<u>81,958</u>
Balance at June 30, 2025	<u>\$1,328,393</u>	<u>\$1,700,026</u>	<u>(\$371,633)</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 \$2,661.

D. Sensitivity of the Net OPEB (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 (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 (Asset)		
	Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
Net OPEB Liability/(Asset)	<u>(\$126,370)</u>	<u>(\$371,633)</u>	<u>(\$567,703)</u>

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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Plan's Net OPEB (Asset)		
	Decrease -1%	Current Healthcare Cost Trend Rates	Increase +1%
Net OPEB Liability/(Asset)	<u>(\$636,267)</u>	<u>(\$371,633)</u>	<u>(\$20,156)</u>

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 10 – POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Authority recognized OPEB expense of \$131,981. At June 30, 2025, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience		\$219,718
Changes in assumptions	\$14,945	19,151
Net difference between projected and actual earnings on plan investments		53,820
Total	<u>\$14,945</u>	<u>\$292,689</u>

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:

<u>Measurement Period Ended June 30</u>	<u>Annual Amortization</u>
2026	(\$11,453)
2027	(71,129)
2028	(68,819)
2029	(53,110)
2030	(34,146)
Thereafter	(39,087)
Total	<u>(\$277,744)</u>

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, 2025, the Authority had made commitments for the following projects:

Purchase Replacement Vessel - MV Bay Breeze & MV Solano	\$3,737,436
Vessel Engine Overhauls Preventative Maintenance	4,848,623
Purchase Replacement Vessel - MV Intintoli & MV Mare Island	52,316,419
Vessel Mid-Life Refurbishments	11,174,917
New All-Electric Vessels	40,565,251
Office Reconfigurations	436,459
Total	<u>\$113,079,105</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025**

San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,
a Cost-Sharing Multiple-Employer Defined Pension Plan

As of fiscal year ending June 30, 2025
Last 10 Years

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

Measurement Date	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	6/30/2024
Plan's Proportion of the Net Pension Liability/(Asset)	0.016026%	0.011107%	0.007533%	-0.002877%	0.002546%	0.006478%	-0.015118%	0.016011%	0.020902%	0.021136%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$439,655	\$385,835	\$296,963	(\$108,435)	\$101,947	\$273,245	(\$971,774)	\$749,190	\$1,045,205	\$1,022,269
Plan's Covered Payroll	\$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	\$3,181,977
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	32.24%	26.54%	18.59%	-6.22%	5.39%	12.51%	-45.98%	31.45%	37.48%	32.13%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	79.89%	75.87%	75.39%	77.69%	77.73%	81.14%	90.49%	76.68%	76.21%	78.08%

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

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025**

San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,
a Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2025
Last 10 Years

SCHEDULE OF CONTRIBUTIONS

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Fiscal Year Ended :					
Actuarially determined contribution	\$391,333	\$516,162	\$202,432	\$202,432	\$245,274
Contributions in relation to the actuarially determined contributions	(391,333)	(516,162)	(202,432)	(202,432)	(245,274)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$1,597,597	\$1,744,351	\$1,890,469	\$1,890,469	\$2,184,929
Contributions as a percentage of covered payroll	24.50%	29.59%	10.71%	10.71%	11.23%
Notes to Schedule					
Valuation date:	6/30/2015	6/30/2016	6/30/2017	6/30/2017	6/30/2018
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%	2.50%	2.50%	2.50%	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	7.65%, 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	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 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..	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..

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

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025**

San Francisco Water Emergency Transportation Authority's Miscellaneous Plan,
a Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2025

Last 10 Years
SCHEDULE OF CONTRIBUTIONS

	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Fiscal Year Ended :					
Actuarially determined contribution	\$254,421	\$268,997	\$310,937	\$398,573	\$508,018
Contributions in relation to the actuarially determined contributions	(254,421)	(268,997)	(310,937)	(398,573)	(508,018)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$2,113,621	\$2,382,444	\$2,789,055	\$3,181,977	\$4,617,035
Contributions as a percentage of covered payroll	12.04%	11.29%	11.15%	12.53%	11.00%

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	6.90%, 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 2021 CalPERS Experience Study. The table includes full generational mortality improvements using the Society of Actuaries 80% of scale MP 2020..	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, 2025

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, 2025

Last Ten Fiscal Years *

Retirement Plan
Single Employer Plan

Measurement Date	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Total Pension liability					
Service cost	\$193,544	\$93,700	\$58,212	\$62,572	\$68,038
Interest	181,668	105,776	126,554	134,694	130,461
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)	(48,821)
Changes of benefit terms					
Net change in total Pension liability	360,105	572,675	145,938	(79,721)	149,678
Total Pension liability - beginning	1,329,409	1,689,514	2,262,189	2,408,127	2,328,406
Total Pension liability - ending (a)	\$1,689,514	\$2,262,189	\$2,408,127	\$2,328,406	\$2,478,084
Pension fiduciary net position					
Contributions - employer	\$1,635,933		\$270,491	\$407,657	
Contributions - employee					
Net investment income	173,135	(\$250,700)	137,329	200,849	\$248,485
Benefit payments	(15,107)	(40,579)	(38,828)	(43,411)	(48,821)
Administrative expense	(6,223)	(10,000)	(10,000)	(10,000)	(10,000)
Other changes					
Net change in plan fiduciary net position	1,787,738	(301,279)	358,992	555,095	189,664
Plan fiduciary net position - beginning		1,787,738	1,486,459	1,845,451	2,400,546
Plan fiduciary net position - ending (b)	\$1,787,738	\$1,486,459	1,845,451	2,400,546	2,590,210
Plan net Pension liability (asset) - ending (a) - (b)	(\$98,224)	\$775,730	\$562,676	(\$72,140)	(\$112,126)
Plan fiduciary net position as a percentage of the total Pension liability	105.81%	65.71%	76.63%	103.10%	104.52%
Covered payroll	\$1,209,976	\$810,595	\$1,146,072	\$969,008	\$771,952
Plan net Pension liability as a percentage of covered payroll	-8.10%	95.70%	49.10%	-7.44%	-14.52%

*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, 2025

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2025

Last Ten Fiscal Years *
Retirement - Single Employer Plan

Fiscal Year:	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Actuarially determined contribution	\$124,700	\$100,839	\$100,504	\$111,578	\$114,372
Contributions in relation to the actuarially determined contribution	1,635,933	-	270,491	407,657	-
Contribution deficiency (excess)	(\$1,511,233)	\$100,839	(\$169,987)	(\$296,079)	\$114,372
Covered payroll	\$1,209,976	\$810,595	\$1,146,072	\$969,008	\$771,952
Contributions as a percentage of covered payroll	135.20%	0.00%	23.60%	42.07%	0.00%

*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	June 30, 2023
Valuation Date	June 30, 2019	June 30, 2019	June 30, 2021	June 30, 2023	June 30, 2023
Actuarial Cost Method	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
Discount Rate	6.00%	6.00%	5.50%	5.50%	5.50%
General Inflation	2.75%	2.75%	2.50%	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	CalPERS 2000-2019 experience study
Mortality Improvement	Scale MP-2019	Scale MP-2019	Scale MP-2020	Scale MP-2021	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, 2025

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, 2025

Last Ten Fiscal Years *

Replacement Benefits Plan

Single Employer Plan

Measurement period	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Total Pension liability					
Service cost	\$33,022	\$11,782			
Interest	39,018	21,721	\$22,605	\$23,886	\$22,498
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	(16,742)
Changes of benefit terms					
Net change in total Pension liability	65,567	60,545	8,919	(9,337)	5,756
Total Pension liability - beginning	291,722	357,289	417,834	426,753	417,416
Total Pension liability - ending (a)	\$357,289	\$417,834	\$426,753	\$417,416	\$423,172
Pension fiduciary net position					
Contributions - employer	\$327,270	\$14,110	\$44,224	\$64,293	\$16,742
Contributions - employee					
Net investment income	36,420	(49,196)	24,724	36,206	42,663
Benefit payments	(6,473)	(14,110)	(13,686)	15,086	(16,742)
Administrative expense	(6,223)	(10,000)	(10,000)	(10,000)	(10,000)
Other changes					(30,172)
Net change in plan fiduciary net position	350,994	(59,196)	45,262	105,585	2,491
Plan fiduciary net position - beginning		350,994	291,798	337,060	442,645
Plan fiduciary net position - ending (b)	\$350,994	\$291,798	\$337,060	\$442,645	\$445,136
Plan net Pension liability (asset) - ending (a) - (b)	\$6,295	\$126,036	\$89,693	(\$25,229)	(\$21,964)
Plan fiduciary net position as a percentage of the total Pension liability	98.24%	69.84%	78.98%	106.04%	105.19%
Covered payroll	\$162,225				
Plan net Pension liability as a percentage of covered payroll	3.90%	N/A	N/A	N/A	N/A

*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, 2025

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2025

Last Ten Fiscal Years *
Replacement Benefits Plan

Fiscal Year:	2021-2022	2022-2023	2023-2024	2024-2025
Actuarially determined contribution	\$14,943	\$15,079	\$15,508	\$15,660
Contributions in relation to the actuarially determined contribution	14,110	44,224	64,293	16,742
Contribution deficiency (excess)	<u>\$833</u>	<u>(\$29,145)</u>	<u>(\$48,785)</u>	<u>(\$1,082)</u>
Covered payroll	\$0	\$0	\$0	\$0
Contributions as a percentage of covered payroll	N/A	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:

Valuation Date	June 30, 2021	June 30, 2021	June 30, 2023	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	5.50%	5.50%	5.50%	5.50%
General Inflation	2.50%	2.50%	2.50%	2.50%
Mortality, Retirement, Termination & Disability	CalPERS 1997-2015 experience study	CalPERS 1997-2015 experience study	CalPERS 2000-2019 experience study	CalPERS 2000-2019 experience study
Mortality Improvement	Scale MP-2020	Scale MP-2020	Scale MP-2021	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, 2025**

**SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
For the Year Ended June 30, 2025**

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	June 30, 2025
Measurement period								
Total OPEB liability								
Service cost	\$67,000	\$69,097	\$71,170	\$222,993	\$130,914	\$140,304	\$144,162	\$197,628
Interest	44,000	49,653	(318,925)	96,368	64,597	55,647	67,185	78,386
Benefit changes								
Differences between expected and actual experience			(69,195)	(5,747)	(265,379)		(54,860)	
Assumption changes	(10,000)	(11,000)	29,188	(21,366)	10,493	(18,448)	(20,611)	(8,331)
Benefit payments			(7,919)	(18,448)				
Changes of benefit terms			57,170					
Net change in total OPEB liability	101,000	107,750	(238,511)	292,248	(74,201)	177,503	123,921	267,683
Total OPEB liability - beginning	571,000	672,000	779,750	541,239	833,487	759,286	936,789	1,060,710
Total OPEB liability - ending (a)	\$672,000	\$779,750	\$541,239	\$833,487	\$759,286	\$936,789	\$1,060,710	\$1,328,393
OPEB fiduciary net position								
Contributions - employer	\$194,000	\$88,000	\$91,319	\$180,327	\$14,916	\$18,574	\$12,036	\$8,387
Contributions - employee								
Net investment income	50,000	55,796	54,997	336,991	(198,327)	82,429	149,893	186,904
Benefit payments	(10,000)	(11,000)	(7,919)	(21,366)	(14,826)	(18,448)	(11,955)	(8,331)
Administrative expense		(1,335)	(229)	(1,220)	(810)	(767)	(775)	(1,235)
Other changes								
Net change in plan fiduciary net position	234,000	131,461	138,168	494,732	(199,047)	81,788	149,199	185,725
Plan fiduciary net position - beginning	484,000	718,000	849,461	987,629	1,482,361	1,283,314	1,365,102	1,514,301
Plan fiduciary net position - ending (b)	\$718,000	\$849,461	\$987,629	\$1,482,361	\$1,283,314	\$1,365,102	\$1,514,301	\$1,700,026
Plan net OPEB liability (asset) - ending (a) - (b)	(\$46,000)	(\$69,711)	(\$446,390)	(\$648,874)	(\$524,028)	(\$428,313)	(\$453,591)	(\$371,633)
Plan fiduciary net position as a percentage of the total OPEB liability	106.85%	108.94%	182.48%	177.85%	169.02%	145.72%	142.76%	127.98%
Covered payroll	\$1,598,000	\$1,746,000	\$1,890,469	\$2,185,976	\$2,113,620	\$2,281,712	\$2,787,675	\$3,384,622
Plan net OPEB liability as a percentage of covered employee payroll	N/A	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, 2025**

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2025

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	2024-2025
Actuarially determined contribution	\$74,000	\$83,354	\$69,147	\$85,500	\$76,610	\$78,784	\$165,933	\$170,604
Contributions in relation to the actuarially determined contribution	88,000	91,319	82,310	98,017	14,916	18,574	12,036	8,387
Contribution deficiency (excess)	(\$14,000)	(\$7,965)	(\$13,163)	(\$12,517)	\$61,694	\$60,210	\$153,897	\$162,217
Covered employee payroll	\$1,746,000	\$1,890,469	\$2,185,976	\$2,113,620	\$2,281,712	\$2,787,675	\$3,384,622	\$4,591,246
Contributions as a percentage of covered employee payroll	5.04%	4.83%	3.77%	4.64%	0.65%	0.67%	0.36%	0.18%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2017	June 30, 2019	June 30, 2019	June 30, 2019	June 30, 2021	June 30, 2021	June 30, 2023	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	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	Level percentage of pay	
Actuarial Value of Assets	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period	
Discount Rate	6.75%	6.75%	6.75%	6.75%	6.75%	6.25%	6.25%	6.25%	
General Inflation	2.75%	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	
Aggregate Payroll Increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.75%	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 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 - 6.3% for Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076	Non-Medicare - 6.75% 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
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	CalPERS 2000-2019 experience study	
Mortality Improvement	Scale MP-2017	Scale MP-2019	Scale MP-2019	Scale MP-2019	Scale MP-2020	Scale MP-2020	Scale MP-2021	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,
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, 2025, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2025.

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 25, 2025 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 Metropolitan Transportation Commission, 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 25, 2025

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

**MEASURE B FUND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2025

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE B FUND
Financial Statements
For the Year Ended June 30, 2025**

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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, 2025, 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 financial position of the Measure B Program as of June 30, 2025, 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 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 B Program and are not intended to present fairly the financial position of the Authority as of June 30, 2025, 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 25, 2025, 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 25, 2025

SAN FRANCISCO BAY AREA
 WATER EMERGENCY TRANSPORTATION AUTHORITY
 ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE B FUND

BALANCE SHEET
 JUNE 30, 2025

	Mass Transit
ASSETS	
Cash and Investments	\$37,515
Interest Receivable	95
Total Assets	\$37,610
LIABILITIES	
Accounts Payable	\$37,610
Total Liabilities	37,610
FUND BALANCE	
Restricted for Measure B Programs and Projects	-
Total Fund Balance	-
Total Liabilities and Fund Balance	\$37,610

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, 2025

	Mass Transit
REVENUES:	
Interest	\$37,610
Total Revenues	37,610
EXPENDITURES:	
Construction:	
Harbor Bay New UCF	1,112
Seaplane Electrification Landslide	53,083
Harbor Bay Electrification Landslide	101,392
Oakland Electrification Landslide	62,313
Terminal Access Improvement	(180,290)
Total Expenditures	37,610
NET CHANGE IN FUND BALANCE	-
FUND BALANCE:	
Beginning Fund Balance	-
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, 2025**

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, 2025**

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 \$37,515 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:

*Harbor Bay New UCF
Seaplane Electrification Landside
Harbor Bay Electrification Landside
Oakland Electrification Landside*

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, 2025.

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, 2025.

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.



Pleasant Hill, California
November 25, 2025

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

**MEASURE BB FUND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2025

**SAN FRANCISCO BAY AREA
WATER EMERGENCY TRANSPORTATION AUTHORITY
MEASURE BB FUND
Financial Statements
For the Year Ended June 30, 2025**

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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, 2025, 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 financial position of the Measure BB Program as of June 30, 2025, 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 opinion.

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, 2025, 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 25, 2025, 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 25, 2025

SAN FRANCISCO BAY AREA
 WATER EMERGENCY TRANSPORTATION AUTHORITY
 ALAMEDA COUNTY TRANSPORTATION COMMISSION - MEASURE BB FUND

BALANCE SHEET
 JUNE 30, 2025

	Mass Transit
ASSETS	
Cash and Investments	\$6,579,539
Measure BB Direct Distribution Program Receivable	324,317
Measure BB Direct Distribution Program Interest Receivable	17,731
Total Assets	\$6,921,587
LIABILITIES	
Accounts Payable	\$470,644
Total Liabilities	470,644
FUND BALANCE	
Restricted for Measure BB Programs and Projects	6,450,943
Total Fund Balance	6,450,943
Total Liabilities and Fund Balance	\$6,921,587

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, 2025

	Mass Transit
REVENUES:	
Direct Local Distribution Funds Allocation	\$1,848,611
Interest	199,017
Total Revenues	2,047,628
EXPENDITURES:	
Construction:	
Vessel Replacement - M/V Bay Breeze	4,795
Central Bay Electrification Landslide	33,854
Seaplane Retrofit UCF	55,472
Harbor Bay New UCF	115,796
Seaplane Electrification Landside	38,953
Harbor Bay Electrification Landslide	272,984
Oakland Electrification Landside	137,040
Total Expenditures	658,894
NET CHANGE IN FUND BALANCE	1,388,734
FUND BALANCE:	
Beginning Fund Balance	5,062,209
Ending Fund Balance	\$6,450,943

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, 2025**

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, 2025**

3. CASH AND INVESTMENTS

Cash and investments consisted of \$6,579,539 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
- Central Bay Electrification Landside
- Seaplane Retrofit UCF
- Harbor Bay New UCF
- Seaplane Electrification Landside
- Harbor Bay Electrification Landside
- Oakland Electrification Landside

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, 2025.

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, 2025.

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.

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

Pleasant Hill, California
November 25, 2025

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2025-43

**RECEIVE THE INDEPENDENT AUDITOR'S REPORTS
FOR THE YEAR ENDING JUNE 30, 2025 AS SUBMITTED BY MAZE & ASSOCIATES**

WHEREAS, The SF Bay Ferry Administrative Code requires the Chief Financial Officer to submit to the Board annual audit reports prepared by an independent auditor as required by 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, 2025, prepared by Maze & Associates, include the following reports: Memorandum on Internal Control and Required Communications; Basic Financial Statements; Measure B Fund Financial Statements; and Measure BB Fund Financial Statements; and

WHEREAS, these reports were presented to the Board at the December 11, 2025 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, 2025 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

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 11, 2025.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2025-43

END

MEMORANDUM

TO: Board Members

**FROM: Seamus Murphy, Executive Director
Gary Griggs, Chief Capital Program Officer
Timothy Hanners, Director of Project Delivery & Engineering
Jan Rybka, Senior Project Manager**

**SUBJECT: Approve Contract Award to Tritium Power Solutions Inc. for the
Procurement of Two Float-Mounted Charging Systems**

Recommendation

Approve contract award to Tritium Power Solutions Inc. for the procurement of two float mounted charging systems in an amount of \$794,249 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.

Background

This project provides for the procurement of two new Float Mounted Charging Systems (FMCSs) and includes spare parts provisioning.

As part of the Rapid Electric Emissions-Free Ferry (REEF) Program, SF Bay Ferry is currently procuring three new, battery-electric 150-passenger vessels that will provide service between Downtown San Francisco and Treasure Island, and Mission Bay.

The FMCS will be installed on the top side of the floats at Treasure Island Ferry Terminal and Mission Bay Ferry Landing. The system is sized to provide optimized battery charge power to the 150-passenger vessels. To limit costs, its capacity is significantly less than the Universal Charging Floats being installed at terminals for charging the 400-passenger battery- electric vessels. In addition, the FMCS does not include battery energy storage, which was not shown to provide sufficient cost savings to warrant the added capital costs for the smaller ferries.

The FMCS is akin to high-capacity direct current charging systems used for commercial trucking fleets, but with added requirements to operate in the marine environment. The system will utilize a novel plug configuration, the Megawatt Charging System (MCS), that is just coming to market.

This procurement purchases the FMCSs. Installation of the FCMS will be accomplished through a different contract to be brought separately to the Board. That future contract will also include installation of augmented lighting, an automated mooring line tensioning system, and utility power distribution. It will further include removal of the modified float from the Alameda Seaplane Terminal and installation at Mission Bay Ferry Landing Terminal.

Discussion

Procurement & Evaluation Process

RFP 25-057 was released on September 17, 2025. The RFP complies with federal procurement requirements and SF Bay Ferry's Administrative Code, in which SF Bay Ferry considers both price and other factors to determine the overall best value. Notice of the RFP

was posted to SF Bay Ferry’s website and the Bonfire procurement platform. SF Bay Ferry staff issued three addenda to the RFP clarifying the specifications set forth in the RFP and responding to pre-proposal questions.

Proposers were required to submit a detailed Technical Proposal and a separate Price Proposal. SF Bay Ferry received four proposals by the RFP’s due date of October 22, 2025, from the ABB Inc, Cavotec, Tritium Power Solutions Inc., and Wärtsilä.

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.

The Proposal Evaluation Committee (PEC), which consisted of SF Bay Ferry staff and project management consultants, first conducted a preliminary evaluation of the four proposals. In accordance with the RFP’s procedures, the PEC determined that all four proposals fell within the competitive range and hence proceeded with the evaluation process with all the proposers.

The PEC requested additional information and clarification from each proposer. In accordance with the RFP’s procedures, the PEC also interviewed the firms and contacted references. After this evaluation process, the PEC conducted its final evaluation, summarized below:

Proposal Scoring Results

Proposer	Proposer’s Qualifications and Experience	Technical Suitability	Total Price	Total Score
Possible Points	30	30	40	100
ABB	27.0	22.5	7.3	56.8
Cavotec	25.3	23.0	10.2	58.5
Tritium Power solutions	24.0	25.0	40	89.0
Wärtsilä	24.5	24.0	5.8	54.3

Price Proposal Summary

Proposer	Price Proposal*
ABB	\$4,363,450
Cavotec	\$3,110,000
Tritium Power Systems	\$794,249
Wärtsilä	\$5,467,680

* Rounded to the nearest dollar

Recommendation for Contract Award

Using the RFP's evaluation criteria, Tritium Power Systems (Tritium) was the highest ranked Proposer. Tritium is a leading supplier of DC charging systems with 21,000 systems deployed in 40 countries. Further they are the supplier for Aqua SuperPower, the world's leading electric boat charging network with 200 marine chargers installed worldwide.

The FMCS will be Tritium's first MCS-based system and it will be integrated into its existing Modular Scalable Charging Platform. The price from Tritium, which is lower than our Independent Cost Estimate, was deemed to be fair and reasonable. Utilizing its proven technology and in-production components will result in significant cost savings for SF Bay Ferry.

The PEC was impressed that Tritium's system is optimized for installation in the North American market, operates on US voltages, and includes self-contained cooling systems which will simplify future installation, as represented on their leading score for Technical Suitability. Though Tritium's score for Qualifications and Experience was the lowest of the group, all four proposers were found to be highly qualified, with other proposer receiving slightly higher scores reflective of their more extensive experience building larger vessel charging systems. Tritium's proven charging technology and extensive number of deployed and operational systems prove their clear qualifications to deliver the FMCS.

Tritium has large scale North American manufacturing and service operations centered out of their Lebanon Tennessee facility and have support contracts for on-site services in most major US metropolitan areas.

Project Schedule

The anticipated project schedule for the two FMCSs is as follows:

FMCS #1	December 2026
FMCS #2 Preliminary Acceptance	March 2027

Staff recommends awarding a \$794,249 contract to Tritium Power Solutions Inc. for two Float Mounted Charging Systems, providing critical infrastructure to support SF Bay Ferry's transition to zero-emission service.

Fiscal Impact

Expenditure authority is provided for the Treasure Island Electrification and Mission Bay projects in the FY 2025/26 capital budget. This contract will be funded by a combination of Transit and Intercity Rail Capital (TIRCP) Funds and Environmental Protection Agency (EPA) funds.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2025-44

**APPROVE THE AWARD OF A CONTRACT WITH TRITIUM POWER SOLUTIONS, INC.
FOR TWO FLOAT-MOUNTED CHARGING SYSTEMS**

WHEREAS, as part of the Rapid Electric Emissions-Free Ferry (REEF) Program, SF Bay Ferry is currently procuring three new, battery-electric 150-passenger vessels that will provide service between Downtown San Francisco, Treasure Island and Mission Bay; and

WHEREAS, SF Bay Ferry requires a new Float Mounted Charging System at both the future Treasure Island and Mission Bay terminals in order to provide power to the new vessels; and

WHEREAS, on September 17, 2025, SF Bay Ferry issued an RFP for the needed services; and

WHEREAS, by the RFP's due date, SF Bay Ferry received 4 proposals; and

WHEREAS, SF Bay Ferry evaluated all proposals pursuant to the RFP's stated evaluation criteria and determined that Tritium Power Solutions, Inc. (Tritium) was the highest ranked proposer; and

WHEREAS, the Executive Director recommends awarding a contract to Tritium for the Float Mounted Charging Systems in the amount of \$794,249; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves an agreement with Tritium for the Float Mounted Charging Systems in the amount of \$794,249; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to execute an agreement with Tritium and take any other necessary and related actions consistent with this Board action.

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 11, 2025.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2025-44

END

MEMORANDUM

TO: Board Members

FROM: Seamus Murphy, Executive Director
Michael Gougherty, Director of Planning
Thomas Hall, Director of Operations & Customer Experience
Gabriel Chan, Transportation Planner
Dorry Funaki, Transportation Planner

SUBJECT: South San Francisco Service Study Update

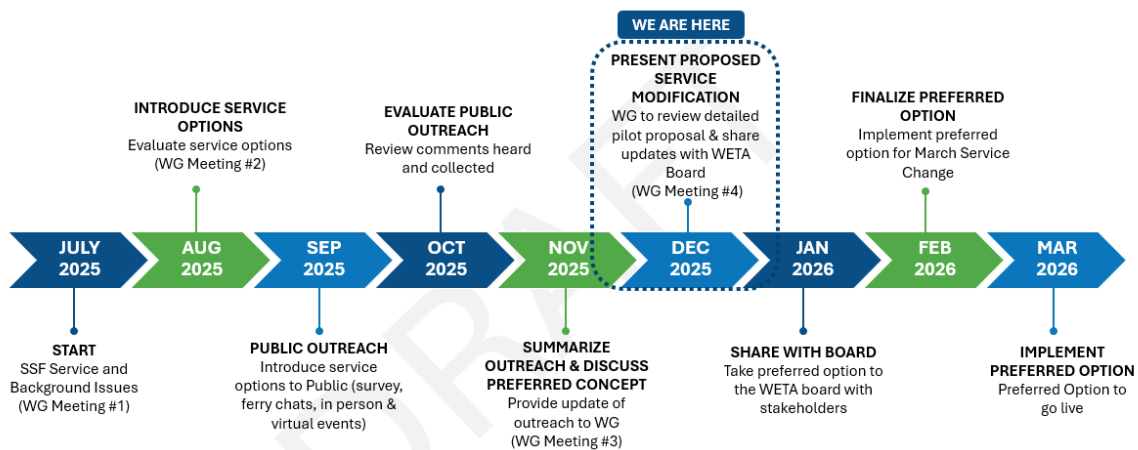
Recommendation

There is no recommendation associated with this informational item.

Background

SF Bay Ferry staff initiated the South San Francisco Service Study (Study) in July of this year. The purpose of the Study is to identify a preferred service and funding plan to ensure the financial feasibility of water transit serving South San Francisco, increase service productivity, and establish a sustainable runway of operating funds. The Study has been undertaken through a collaborative process involving identified Working Group partners and public outreach. The results of the Study will include a potential service change implementation plan to restructure the South San Francisco service, which will ultimately be presented to the SF Bay Ferry Board of Directors for consideration. This item serves as a project update for the Board following the extensive stakeholder and public outreach and engagement completed so far, including a proposed concept that staff plan to carry forward.

Figure 1: Study Timeline



Working Group Meeting #1

- Introduction, purpose, and need for the Study
- South SF Ferry service statistics and data
- Issues currently facing the agency and the South SF service

Working Group Meeting #2

- Evaluation of proposed service and operational changes to reduce costs and/or increase revenues
 - o Elimination of Main St. stop
 - o Replace current service with South SF – Downtown SF service
 - o Fare increases
 - o Service/operator changes
 - o Elimination of Friday service
 - o Partner subsidy

Public Outreach and Survey

- Introduce a subset of proposed service and operational changes to the public
 - o Elimination of Main St. stop
 - o Replace current service with South SF – Downtown SF service
 - o Fare increases
 - o Elimination of Friday service
- Public online survey available from Sep. 5th – Oct. 8th shared via
 - o Displays on board vessels
 - o Project website
 - o Working group members and their networks
 - o SFBF social media platforms
 - o In-person tabling at the SSF terminal
 - o In-person flier distribution on vessels

Working Group Meeting #3

- Review of public outreach process
- Analysis and review of results of the public survey
- Review of additional Oyster Point stakeholder outreach done in late October and early November
- Discussion of preferred concept

Discussion

Outreach Review

After conducting extensive outreach with both the interested stakeholders and the public, staff identified some key themes that informed the proposed concept:

1) Strong desire to maintain direct East Bay – South SF service.

Current ferry riders, Oyster Point employers, as well as the City of South San Francisco all expressed a strong desire to maintain a direct East Bay – South SF service. Many cited already long commutes, multi-year loyalty to the ferry service, and no alternatives other than driving as reasons to maintain the current route configuration.

2) Support for fare increases or reduced schedule.

The public survey as well as feedback from stakeholders showed willingness to absorb a fare increase or reduced schedule if it meant maintaining the current routing.

3) Completely eliminating stops at Main St. was unpopular, particularly among Alameda riders.

Eliminating the stop at Main St. would have allowed for an additional round trip between Oakland and SSF. Feedback from the employers, working group, and the public suggest that they support maintaining the stop at Main St. over an additional Oakland – SSF trip.

4) Replacing current service with Downtown SF – SSF service was unpopular, particularly among Oakland riders.

Alameda riders would use the Seaplane route first to go to Downtown SF to transfer to a SSF ferry. This would result in about a 5-minute time penalty. For Oakland riders, it would be an additional 15-20 minutes.

5) Free employee parking in Oyster Point is a major factor for those who drive to SSF.

6) San Mateo County residents showed limited enthusiasm for a SSF to SF ferry service.

Under 100 survey responses came from San Mateo County residents vs. over 1,300 from current ferry riders. 70% of San Mateo County resident respondents are supportive of a SSF – SF ferry service, but a plurality (45%) say they would only use the ferry “every once in a while.” Few commuters, who would infrequently go to San Francisco for discretionary trips, is not enough to support a financially sustainable ferry service.

Preferred Concept: Minor Schedule Modifications for 1-Year Trial Period

After considering the totality of outreach and engagement conducted to date with the public, working group members, and other interested stakeholders, staff are proposing to carry forward implementation of a 1-year trial on the South SF route beginning in March 2026. The trial will operate with the following operational parameters:

- **Maintain some of the stops at Main St.** This is especially necessary during the upcoming Oakland Alameda Access Project which will lead to lane closures in the Posey and Webster tubes connecting Alameda to Oakland.
- **Adjust the Oakland Alameda Water Shuttle (OAWS) schedule** to make the transfer to the SSF route more seamless at Jack London Square in Oakland.
- **Optimize the morning arrival times and afternoon departure times on the SSF route** to better fit the needs of the employees who work in Oyster Point.
- **Maintain the current fare rate** to ensure that the ferry remains accessible to all riders and removes price as a barrier for passengers.
- **Conduct SSF route-specific marketing** to increase ridership and public awareness of the service.
- **Identify the amount of partner subsidy required** to support long-term financial sustainability of the service. A potential source of partner subsidies are contributions from Oyster Point employers.

In advance of the start of the trial period, staff will develop goals and performance metrics for the service. These goals and metrics will be tied to the financial sustainability and

performance of the service. If the SSF route continues to underperform relative to the other SFBF routes at the end of the trial period in March 2027, this will trigger a local partner subsidy or substantial cost-saving measures that could negatively impact service on the route.

Staff are currently developing a detailed proposal for review by the working group at the 4th and final meeting. The final detailed proposal will come before the Board in January 2026.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

**FROM: Seamus Murphy, Executive Director
Michael Gougherty, Director of Planning
Gabriel Chan, Transportation Planner**

SUBJECT: 2050 Business Plan Update

Recommendation

There is no recommendation associated with this informational item.

Background

The 2050 Business Plan is being developed to define a long-term service vision based on input from agency stakeholders, the public, and other parties with an interest in the future of the agency. The goal of this project is to provide clear direction for the agency and its staff concerning future expansion efforts, prioritize the pursuit and use of limited funds, identify resource needs, and help build a broad coalition to advocate for future investment in the regional ferry network.

In 2024 the Board approved the 2050 Service Vision and Expansion Policy. The Service Vision was developed based on extensive stakeholder and public outreach and defines the long-term plan to electrify, expand, and enhance the San Francisco Bay Ferry network. The process to adopt the Service Vision has also supported adoption of an agency fare policy, terminal access guidelines, and a sustainability policy, as well as the development of Plan Bay Area 2050+ and funding provisions in Senate Bill 63.

In addition to the 2050 Service Vision and Expansion Policy, the draft 2050 Business Plan will also define San Francisco Bay Ferry's role in the region as it concerns emergency response, economic and workforce development, and community connections, among other key focus areas. Lastly, the Business Plan will include a Service Plan and Financial Plan indicating funding needs to support anticipated service operations and the capital program through FY 2037.

Discussion

The final input required to complete the draft 2050 Business Plan is identification of a preferred capital plan scenario. This scenario will characterize the near-term funding and project delivery priorities for San Francisco Bay Ferry as they relate to major components of SF Bay Ferry's capital program, including asset rehabilitation and replacement, electrification, service expansion, and service enhancement. The preferred capital plan scenario will need to address several program challenges and risks faced by San Francisco Bay Ferry, including:

- **Achieving the 2050 Service Vision.** The long-term plan for SF Bay Ferry's system includes ambitious goals for electrification, service expansion, and service enhancement. In the near term, the preferred capital plan scenario will be expected to

substantially advance each of these priorities as overall progress is made towards achieving the longer-term 2050 Service Vision.

- **Limitation of Regional Measure 3 (RM3) funds.** SF Bay Ferry will require full use of its annual RM3 operating subsidy and existing reserve to support service operations, which effectively precludes the opportunity to apply unused funds to the Capital Program. Furthermore, approximately \$102 million of the \$300 million available in RM3 capital funds has already been allocated.
- **State-of-good repair needs.** Current fund sources will be unable to cover growth in costs for asset rehabilitation and replacement as new capital projects are delivered. An amount up to \$150 million in RM3 capital funds will be required to ensure the preservation of existing and future assets through FY 2037.
- **Funding vulnerability.** Due to political change at the national level, the opportunity to maintain or increase funding available from federal programs is limited in the near-term.
- **Increased project costs.** Cost for major infrastructure and vessel projects required to deliver the capital program have increased significantly due to industry-wide trends.
- **Alternate Compliance Emissions (ACE) Plan.** As project schedules for fleet electrification are modified, conformity with the ACE Plan and potential plan updates will need to be monitored.
- **Operating Experience.** The initial vessels and infrastructure proposed as part of the REEF program represent state-of-the-art design and engineering but will require actual operating experience to confirm performance and, if necessary, adjust future projects to potentially improve outcomes.

In October, staff presented a long-term capital funding outlook that identified three potential capital plan scenarios that would serve as the basis for a near-term capital plan. Since that presentation, staff has further developed these scenarios and vetted a preferred capital plan concept with the Business Plan Subcommittee (Director Alba and Vice Chair Moyer). The preferred concept most closely matches Scenario C presented to the Board in October.

The preferred concept is based on a “fix it first” principle, whereby meeting anticipated asset rehabilitation and replacement needs are given top priority. As noted above, this represents a significant tradeoff in terms of the magnitude of investment for new capital projects, as up to \$150 million in RM3 capital funds will be required to ensure the preservation of existing and future assets through FY 2037. Notwithstanding this tradeoff, the preferred concept seeks a balanced near-term investment approach to delivering new capital projects for electrification, expansion, and enhancement in support of the 2050 Service Vision. Planned milestones in the Scenario include:

- **REEF Phase 1.** Full delivery, including construction of new ferry terminals and delivery of zero emission vessels to support expansion services to Treasure Island and Mission Bay.
- **REEF Phase 2.** Partial delivery, including infrastructure upgrades and vessel delivery to transition two existing routes to zero emission operation. Planning work will proceed on other Phase 2, 3, and 4 projects; however, delivery of infrastructure and vessels for these projects is deferred unless additional funding is identified.
- **Fleet Expansion and Electrification.** Delivery of three new 150 passenger zero emission vessels, conversion of existing vessels to zero emissions, and delivery of up to four net new 320-400 passenger zero emission vessels to support service expansion and enhancement.

- **Service Enhancement.** Service frequency or vessel capacity upgrades on up to two existing routes.
- **Service Expansion.** Launch of up to 75% of Tier I expansion routes in the 2050 Service Vision.
- **State-of-Good Repair.** Set-aside of RM3 funds to fully meet asset rehabilitation and replacement needs through duration of capital plan.

SF Bay Ferry has been very effective in leveraging its RM3 capital fund allocations to secure external funds to support the capital program. To date, over \$400 million in total funds have been leveraged by just over \$100 million in RM3 capital fund allocations. Going forward, San Francisco Bay Ferry will maintain an aggressive but realistic target for future fund leveraging. Preliminary projections indicate that San Francisco Bay Ferry would need to leverage approximately \$180 million of total funds with its remaining unallocated RM3 funds (\$30-40 million) to fully deliver the preferred capital plan concept. While considerably more ambitious than what has been accomplished to date, the amount required compares favorably to the other capital plan scenarios under consideration. As with every scenario, uncertainty pertaining to costs and schedule milestones as well as future opportunities may result in significant changes over time to the plan.

As a next step, staff will develop the preferred capital plan scenario into a near-term capital plan based on current cost and funding assumptions through FY 2037. This work will be brought forward to the Board as part of the draft 2050 Business Plan in Spring 2026.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END