



Agenda Item No. (6)(A)

**REPORT OF THE GENERAL MANAGER
BOARD OF DIRECTORS
MEETING OF JULY 25, 2025**

The Honorable Board of Directors
Golden Gate Bridge, Highway and Transportation District

Honorable Members:

SENATE BILL 129

Cal/OSHA implemented a new lead regulation effective January 1, 2025. As part of the rollout of this new regulation, Cal/OSHA issued *The Cal/OSHA Lead in Construction Regulation—A Guide for Employers (Guide for Employers)*, dated December 2024, which expressly called out new limits on the number of hours per day that a worker can perform abrasive blasting, even when workers wear a respirator connected to an air hose providing clean, safe outside air for them to breathe while performing this work.

Specifically, it limited an employee conducting dry abrasive blasting to five (5) hours per day effective January 1, 2025, and it limited an employee conducting dry abrasive blasting to two (2) hours per day effective January 1, 2030.

Our seismic retrofit construction manager/general contractor (CM/GC) notified the District that this new change would increase the cost of the upcoming seismic retrofit project by approximately \$200 million.

In response, the District met with the Governor's Office and Legislative leaders to navigate this predicament. Staff also met with Cal/OSHA in early May. The day after meeting with the District, Cal/OSHA removed *The Cal/OSHA Lead in Construction Regulation—A Guide for Employers*, dated December 2024, from their website. The following week they issued a press release and posted a new *Guide for Employers* dated May 2025.

The May 2025 *Guide for Employers* removes the limits on dry abrasive blasting that was originally included in the December Guide. Long term, it is helpful that the arbitrary blasting limits have been removed for workers wearing a respirator connected to an air hose providing clean, safe outside air for them to breathe while blasting.

However, this has created much confusion and uncertainty in the short term. The May 2025 press release did not tell recipients to delete all copies of *The Cal/OSHA Lead in Construction Regulation—A Guide for Employers*, dated December 2024, and all training materials based on

SENATE BILL 129 (continued)

that version; and it did not highlight that the December 2024 Guide had been superseded and replaced by new information. The new document was not a **redline** version, did not highlight changes from the prior Guide, nor was it clear where the press release and this new information were disseminated. This has created confusion in the industry that will take some time to sort out.

In meetings with the Governor's Office and Legislative staff, it was recommended that the District seek legislative relief. Based on this recommendation, the District pursued a project specific exemption to provide clarity to painting subcontractors providing quotes/bids for the seismic retrofit project.

Director Snyder helped facilitate the union support needed to secure leadership buy-in on the proposal. This was no small undertaking, and through meetings with the Painters Union, Laborers Union, key budget and leadership staff, and others, the District was successful in securing a legislative fix.

On Monday, June 30, 2025, Governor Gavin Newsom signed legislation as part of the 2025-2026 state budget. One of the bills is Senate Bill 129 (SB 129).

SB 129 provides an exemption to the new Cal/OSHA lead regulation for the District's seismic retrofit project if we award the construction contract by December 31, 2025.

The contract specifications for the seismic retrofit project require the same level of personal protective equipment (PPE) as the new Cal/OSHA regulation to protect workers. Still, due to current industry uncertainty, the exemption in SB 129 provides clarity to painting contractors who will be providing quotes later this month for our seismic retrofit project.

Thanks again to Painters District Council 16, the Laborers Union and Operating Engineers Local 3.

CHASE CENTER

The District does not currently offer ferry service to Chase Center for Golden State Warriors or Valkyries games.

The capacity of Chase Center is less than half the capacity of Oracle Park (home to the San Francisco Giants), and the walk from the current Mission Bay ferry landing to the arena takes 10-15 minutes.

Recently, District staff met with Golden State's Transportation Manager to discuss potential ferry service to Chase Center for Valkyries games. Internal data provided by their Transportation Manager indicates limited demand from Sonoma and Marin counties, making it challenging to justify pilot service at this time.

Running nearly empty ferry trips is bad for the District's finances and the environment. Absent additional data indicating otherwise, there does not appear to be customer demand to fill several hundred ferry seats for events at Chase Center.

Staff will continue to explore opportunities to expand ridership and partnerships as appropriate.

2025 ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT AWARD

For the eighth year in a row, the District's Procurement Department has received the Achievement of Excellence in Procurement® (AEP) Award from the National Procurement Institute (NPI). The AEP Award is earned by agencies that demonstrate a commitment to procurement excellence. Applicants are evaluated on 18 criteria that focus on innovation, professionalism, productivity, leadership and eProcurement. The AEP program is sponsored by major professional procurement associations across North America. The District was one of only 12 transportation authorities out of 216 total agencies in the United States and Canada to receive the award. Our procurement team continues to maintain its high standards of excellence and are leaders in their profession.

UPDATE REPORT ON *M.V. MENDOCINO* DRYDOCKING AND ENGINE OVERHAUL

On June 27, 2025, the Board of Directors ratified the emergency action of the General Manager to enter into an emergency contract with Bay Ship & Yacht Co., of Alameda, CA, in the amount of \$495,000, for drydocking and related services, and to issue a task order under an existing on-call agreement with Pacific Power Group, of Kent, WA, in the amount of \$536,379.62, for overhaul and commissioning support of the *M.V. Mendocino*'s damaged main engine. The vessel sustained a catastrophic failure of its starboard aft main engine on May 5, 2025, requiring removal and transport of the engine to Pacific Power Group's facility for a full rebuild, while also completing the vessel's biennial U.S. Coast Guard (USCG) credited drydocking.

Work is progressing on schedule, with the soft patch removed, interferences cleared, and the engine on track to ship to Kent, WA, later this month. Structural repairs requested by the USCG are being challenged to minimize scope, while valve rebuilds, and flange repairs are being priced pending inspection. District staff have recommended replacing three of the four waterjet impellers due to pitting, with a quote from Hamilton Jet underway. Hull coatings are complete, and sea chest modifications have been approved by the USCG. The District will continue to update the Board as work progresses.

Background

On May 5, 2025, the *M.V. Mendocino* sustained a catastrophic failure of its starboard aft main engine while underway at full operating speed. Upon inspection by Pacific Power Group, the original equipment manufacturers (OEM) authorized service provider, District staff were advised that significant internal engine damage had occurred, including the destruction of two-cylinder liners and associated damage to the crankshaft and other interfacing components. Metal debris was also dispersed throughout the engine, necessitating a complete teardown and rebuild at Pacific Power Group's facility in Kent, Washington.

Due to the extent of the damage, the engine must be removed from the vessel and transported to Pacific Power Group's overhaul facility in Washington for complete teardown and rebuild. To accomplish this, the vessel must be drydocked to allow for engine extraction and subsequent reinstallation. District staff also identified the opportunity to complete the vessel's biennial U.S. Coast Guard (USCG) credited drydocking while it is out of the water, as required by 46 CFR 115.610 for K-class vessels.

UPDATE REPORT ON *M.V. MENDOCINO* DRYDOCKING AND ENGINE OVERHAUL (continued)

To avoid service disruptions and cascading delays to future drydocking schedules for other high-speed vessels in the fleet, including the *M.V. Napa*, *M.V. Golden Gate*, and *M.S. Marin*, District staff recommended immediate action. Under the authority granted by California Public Contract Code Section 22050 and the District's Procurement Policy, the General Manager authorized an emergency contract with Bay Ship & Yacht to facilitate drydock access and support engine removal and reinstallation and an emergency task order for the overhaul and commissioning support under the existing on-call professional services agreement with Pacific Power Group.

Summary of Scope of Work

The scope of work performed under this emergency action includes:

- **Bay Ship & Yacht Co.**
 - Drydocking the vessel and providing all labor and equipment necessary for safe removal and reinstallation of the damaged engine.
 - Supporting structural and mechanical work, including removal of interferences, temporary modifications, and preservation of disturbed systems.
 - Making the vessel available for USCG inspection and completing all work necessary for USCG credited drydocking, including valve servicing, sea chest cleaning, and hull coatings.
 - Supporting dock and sea trials.
- **Pacific Power Group**
 - Performing a full in-shop overhaul of the starboard aft MTU 12V4000M60 main engine.
 - Replacing or rebuilding major components, including cylinder heads, piston liners, crankshaft, camshaft, bearings, fuel pumps, turbochargers, and cooling systems.
 - Reassembling and testing the engine in accordance with OEM specifications prior to redelivery.
 - Supporting on-site commissioning of the engine following reinstallation, including sea trials.

Fiscal Impact

The total estimated cost of the emergency work related to the *M.V. Mendocino* is \$1,031,380. District staff have reviewed the scope and cost proposals for both efforts and determined the prices to be fair and reasonable based on the nature and urgency of the work, and by comparison with recent, similar shipyard and OEM-authorized engine service contracts.

Funding for this work is available in Capital Project 2341, Ferry Vessel Rehabilitation and Dry Dockings, which is included in the FY24/25 Ferry Division Capital Budget with a total budget of \$18,500,000. This project is funded with 80 percent Federal Transit Administration (FTA) funds and 20 percent District funds, as shown in the table below. The General Manager will continue to provide the Board with regular updates on the status and costs of this work.

**UPDATE REPORT ON *M.V. MENDOCINO* DRYDOCKING AND ENGINE OVERHAUL
(continued)**

DESCRIPTION OF ITEMS	FEDERAL (80%)	DISTRICT (20%)	TOTAL
Contract No. 2025-F-061, <i>M.V. Mendocino Emergency Drydocking and Engine R&R</i>	\$396,000.00	\$99,000.00	\$495,000.00
Contract No. 2025-F-017, <i>On-Call MTU Engine Maintenance and Repair Parts</i>	\$429,103.70	\$107,275.92	\$536,379.62
TOTAL COSTS	\$825,104	\$206,276	\$1,031,380

**UPDATE REPORT ON THE LARKSPUR FERRY TERMINAL BERTHS 1 AND 2
BOARDING RAMP REPAIRS**

On April 25, 2025, the Board of Directors ratified the award of a construction contract with Power Engineering, Inc. in the amount of \$2,132,321.00 to repair the boarding ramps at berths 1 and 2 at the Larkspur Ferry Terminal. The contract was signed and the Notice to Proceed issued effective May 5, 2025. Power Engineering is continuing developing work plans and performing field verifications. On June 5, 2025, Power Engineering mobilized a crane barge to the site and began work. At Berth 1, the utility connections have been removed, both hydraulic cylinders have been removed, and the gangway has been removed. At Berth 2, the utility connections have been removed and the gangway has been removed. The crane barge has been removed from the site and will return after the off-site repairs to the hydraulic cylinders and gangways have been completed. The Berth 1 hydraulic cylinders have been sent to a machine shop and are undergoing repairs. The gangways have been disassembled and inspected and the Contractor is developing workplans for the repairs. Work is continuing.

Background

The Larkspur Ferry Terminal (LFT) located at 101 East Sir Francis Drake Blvd in Larkspur is the District's primary location for berthing, maintaining and fueling ferry vessels. On January 30, 2025, Ferry Division staff discovered a seal failure in one of the two hydraulic cylinders at the LFT Berth 1 boarding ramp. The boarding ramp hydraulic cylinders are required to raise and lower the berth ramp to align with the different ferry vessel loading deck elevations. Without the hydraulic cylinders, Berth 1 may not be used and was taken out of service. Passenger boarding moved to Berths 2 and 3.

Berths 1 and 2 are the primary passenger boarding platforms at the LFT and provide the most efficient ferry passenger loading and unloading operations. The Ferry Division operates a fleet of seven vessels so having one berth out of service impacts where vessels may lay up and be serviced, and where passengers may load and unload. Berth 3 is located away from Berths 1 and 2, has a different loading configuration that takes longer for passengers to load and unload, and requires additional staffing to direct passengers to and from the berth. Also, when Berth 2 is occupied with a vessel, it blocks access for vessels trying to enter or leave from Berth 3. Furthermore, with one berth out of service, the servicing of the vessels, including fueling, pumping the bilge, adding fresh water, cleaning and servicing the concessionaire are impacted and require additional crew time and support. All of this decreases operational efficiencies and can cause late departures.

UPDATE REPORT ON THE LARKSPUR FERRY TERMINAL BERTHS 1 AND 2 BOARDING RAMP REPAIRS (continued)

In addition to the seal failure at Berth 1, additional inspections of both Berth 1 and Berth 2 discovered worn and corroded mechanical components within the boarding ramps gangway extensions. Berth 2 has two gangways and the mechanical components within one of them failed, which further impacted operations at the LFT since only one gangway is now available for use.

Ferry staff contacted Engineering staff to request assistance with further inspections and to determine a course of action. It was determined that the Ferry Division does not have replacement hydraulic cylinders for Berth 1, necessitating that the existing hydraulic cylinders be removed, refurbished, and replaced in order to resolve the failed hydraulic cylinder issue. Ferry Division does not have the capability to remove, refurbish and reinstall the hydraulic cylinders so this work must be performed by an outside contractor. It was also determined that the Ferry Division does not have the capability to remove the gangways from the boarding ramps in order to repair the worn and corroded mechanical components, necessitating that this work also be performed by an outside contractor. The failed hydraulic cylinder and the worn mechanical components and resulting closure of Berth 1 and one of the two gangways at Berth 2 are impacting ferry operations and must be repaired as soon as possible to minimize impacts to Ferry service operations. The time to prepare, finalize and advertise a bid package for a typical bid solicitation is at least three months, followed by a solicitation period of at least one month. The bids must then be analyzed, a determination of the bids made, a recommendation to award drafted and finalized and Board action taken. This adds further time during which the berths will remain out of service and cause further impacts to ferry operations.

In accordance with Public Contract Code Section 22050 and the District's Procurement Policy, the General Manager has been granted the authority to waive the competitive solicitation process and to approve the procurement of necessary equipment, services, and supplies in the event of an emergency, when immediate action is required, to prevent the interruption or cessation of necessary District services. Engineering staff consulted with the District's legal counsel and confirmed that the circumstances described above meet the legal standard for an emergency procurement.

Engineering staff and Ferry staff collaborated to develop a scope of work for a construction project to implement the repairs. Engineering staff developed contract documents for Contract No. 2025-F-016, *Larkspur Ferry Terminal Berths 1 and 2 Boarding Gangway Ramp Repairs*, which included markups to the record drawings from the Larkspur Ferry Terminal Docking System Project No. 74B, identifying the components requiring rehabilitation and specifications for the work. The project scope involves, in general, the following:

- Mobilization and demobilization.
- Perform field verifications and develop work plans.
- Disconnect and reconnect all utility connections at the Berth 1 & 2 gangways.
- Remove, transport, and reinstall the Berth 1 & 2 gangways.
- Refurbish the gangways at an offsite facility, including furnishing and installing new hydraulic lines, electrical lines, brass sliders, pins, bushings, deck panels, fasteners, leaf plates and piano hinges, installing District provided Hilman rollers, resurfacing roller contact

**UPDATE REPORT ON THE LARKSPUR FERRY TERMINAL BERTHS 1 AND 2
BOARDING RAMP REPAIRS (continued)**

surfaces, installing new supplemental rollers, repairing any damaged hinge plates, and blasting and painting all steel surfaces.

- Remove, transport, and, after refurbishment, reinstall hydraulic cylinders, including two (2) hydraulic ramp cylinders at Berth 1 and twelve (12) hydraulic gangway cylinders at Berths 1 & 2.
- Fabricate and install two (2) new clevis support brackets and associated hinge pins at the Berth 1 ramp cylinders.
- Remove and dispose of existing hydraulic hoses and furnish and install new hydraulic hoses on the Berth 1 ramp cylinders.
- Test all reinstalled hydraulic cylinders, including raising and lowering the Berth 1 ramp and raising and extending all gangways. Perform any adjustments and make any repairs necessary to allow the ramp and gangways to operate properly.

Due to uncertainty on the capacity and availability of contractors to perform the work, staff reached out to two different firms to request a price for performing the Berth 1 and Berth 2 repair work. On April 1, 2025, staff received pricing from the two firms as follows:

<u>COMPANY</u>	<u>TOTAL BID PRICE</u>
1. Valentine Corporation San Rafael, CA	\$2,373,369
2. Power Engineering Construction Co. Alameda, CA	\$2,132,321

Engineering staff and District's Attorney evaluated the bid proposals for completeness and conformance with the criteria that was specified in the contract documents and determined that the proposal from Power Engineering Construction Co., with a price of \$2,132,321, was the lowest responsive and responsible bidder. The District does not anticipate any DBE or SBE participation in this contract.

The District, under the General Manager's authority, entered into a contract with Power Engineering Construction Co., to perform the repairs.

Fiscal Impact

Current estimated costs to date for activities related to the Larkspur Ferry Terminal Berths 1 and 2 Boarding Ramps repairs are \$2,782,321. The General Manager will continue to provide the Board with regular updates on the status and costs of this work.

**UPDATE REPORT ON THE LARKSPUR FERRY TERMINAL BERTHS 1 AND 2
BOARDING RAMP REPAIRS (continued)**

DESCRIPTION OF ITEMS	COSTS
Contract No. 2025-F-016, <i>Larkspur Ferry Terminal Berths 1 and 2 Boarding Gangway Ramp Repairs</i> (Power Construction Co.)	\$2,132,321
District Staff Labor, Fringe and Indirect Costs (estimated)	\$650,000
TOTAL COSTS	\$2,782,321

**UPDATE REPORT ON THE GOLDEN GATE BRIDGE ELECTRICAL SYSTEM
REPAIRS**

Background

On Saturday, February 8, 2025, one of the Golden Gate Bridge's main circuit breakers tripped, affecting power to some of the Bridge's lighting and other electrical systems. The District's Bridge Division forces mobilized to the Bridge, investigated the electrical system and provided temporary power to certain locations but were unable to determine the cause of the tripped breaker and unable to restore power to all the lighting and other electrical systems at the Bridge. Bridge Division staff requested Engineering Department staff assistance to bring in outside electrical contractors with expertise in medium to high voltage industrial electrical installations to assist with the investigation. The Bridge lighting and electrical systems are critical infrastructures that are necessary for the protection and security of the Bridge as well as for providing safe access to vehicle traffic, water vessel traffic and air traffic traveling on, under and over the Bridge.

Due to the need to quickly repair these critical systems, in accordance with Public Contract Code Section 22050 and the District's Procurement Policy, on February 10, 2025, the General Manager authorized an emergency purchase order and contract change order (CCO) #1 with PB Electric, Inc., Rancho Cordova, CA, in an amount not-to-exceed \$107,500, to perform an investigation of the electrical system and cause of the outage.

PB Electric, Inc. mobilized to the site and discovered damaged and failed equipment and cable failures at multiple locations on the Bridge. It was determined that the damaged and failed equipment cannot be repaired and must be replaced. Initial searches have determined that the existing failed electrical equipment is no longer made and new compatible equipment must be sourced and procured. In the interim, Bridge Division forces have installed temporary generators to restore the lighting and other electrical systems that were impacted by the equipment failure. The District executed CCO #2 with PB Electric, Inc., to perform additional assessments of the existing conditions, including opening all the east sidewalk electrical pull boxes, documenting the condition of conductors in the pull boxes, documenting findings, developing scopes of work and construction scheduling for the short-term and long-term solutions.

Based on the assessments and findings, Engineering staff, the electrical engineering consultant, PB Electric, Inc., and Bridge Division staff developed preliminary repair plans. It has been determined that the lead time to procure new transformers and switches suitable for the conditions

UPDATE REPORT ON THE GOLDEN GATE BRIDGE ELECTRICAL SYSTEM REPAIRS (continued)

at the Bridge is approximately one year, so short-term and long-term solutions are being developed.

The short-term plan includes procuring readily available equipment that may be installed and utilized while the long-term solution is completed. Engineering staff requested and PB Electric, Inc., provided a cost estimate in the amount of \$400,000 to procure the material and equipment necessary to implement the short-term solution. Engineering staff reviewed the material and equipment costs and determined that they were reasonable and directed PB Electric Inc., to order the items pursuant to CCO #3. On March 28, 2025, the Board of Directors ratified CCO #3 with PB Electric, Inc. to procure electrical material and equipment necessary to perform a temporary short-term repair to the Golden Gate Bridge electrical system.

PB Electric ordered the initial equipment and materials needed for the short-term solution, at a cost of \$189,000. While removing some of the damaged equipment from the Bridge, Bridge District electricians discovered additional failed equipment requiring replacement. Funds were still available from the CCO #3 authorization so the District requested PB Electric to procure a new transformer and switch panel, in an amount of \$90,000, to replace the failed equipment.

Engineering staff and the electrical engineering consultant are continuing finalizing the construction documents necessary for the short-term installation. District staff requested that the engineering consultant prepare construction bid documents and specifications for the short-term installation. The engineering consultant provided a cost proposal, in the not to exceed amount of \$9,600, to perform this work. Engineering staff reviewed the proposal and determined that it was reasonable and directed the consultant to proceed with the work.

Engineering staff, the electrical engineering consultant, and PB Electric Inc. are also continuing to develop the full scope of work and cost estimate for the long-term solution.

Any additional change orders and contract award(s) associated with this work will be brought to the District's Board of Directors at a future meeting.

Fiscal Impact

Current estimated costs to date for activities related to the Bridge electrical system repairs are \$504,150. The General Manager will continue to provide the Board with regular updates on the status and costs of this work.

UPDATE REPORT ON THE GOLDEN GATE BRIDGE ELECTRICAL SYSTEM REPAIRS (continued)

DESCRIPTION OF ITEMS	COSTS
Site Investigation and Electrical System Assessment (PB Electric, Inc., Initial assessment and CCO #1)	\$107,500
Additional assessment, documentation of findings, developing scope of work and construction scheduling for the short-term and permanent solution. (PB Electric, Inc., CCO #2)	\$98,250
Procure Electrical Material and Equipment (PB Electric, Inc., CCO #3 authorized up to \$400,000)	\$189,000
Procure Electrical Material and Equipment (PB Electric, Inc., CCO #3 authorized up to \$400,000)	\$90,000
Electrical Engineer Consultant (Victor Steffen, Initial assessment and short-term solution)	\$9,800
Electrical Engineer Consultant (Victor Steffen, Short term solution construction drawings and specifications)	\$9,600
TOTAL COSTS	\$504,150

UPDATE REPORT ON LARKSPUR FERRY TERMINAL FUEL PUMP REPAIRS

Background

The Larkspur Ferry Terminal located at 101 East Sir Francis Drake Blvd in Larkspur is the District's primary location for berthing, maintaining and fueling ferry vessels. Fuel is delivered to four 75,000 gallon above ground fuel tanks which is then pumped through the site piping system to the different berths and into vessels. Ferry staff experienced a seal failure at the primary fuel pump which is housed within an enclosed structure adjacent to the above ground fuel tanks. The seal and pump failure resulted in a temporary interruption in fueling vessels. Ferry staff was able to fabricate a temporary seal and continue operating the fuel pump.

An investigation into rebuilding the pumps was performed and it was determined that a full replacement pump is required. An investigation into new pumps was also made and it was determined that new pumps currently available require modifications to the existing piping system. This work is beyond the capacity of Ferry and District staff to perform. It is not known how long the temporary seal may last before it fails and impacts fueling and ferry service. The pump must be replaced as soon as possible to avoid future impacts to ferry operations.

In accordance with Public Contract Code Section 22050 and the District's Procurement Policy, the General Manager has been granted the authority to waive the competitive solicitation process and to approve the procurement of necessary equipment, services, and supplies in the event of an emergency, when immediate action is required, to prevent the interruption or cessation of necessary District services. Engineering staff consulted with the District's legal counsel and confirmed that the circumstances described above meet the legal standard for an emergency procurement.

UPDATE REPORT ON LARKSPUR FERRY TERMINAL FUEL PUMP REPAIRS (continued)

Engineering and Ferry staff developed a scope of services and reached out to different fuel pump vendors to determine availability to perform the work. The scope of services consists, in general, of the following:

- Reviewing existing facilities and site conditions
- Performing field verifications and measurements of controlling dimensions
- Preparing and submitting work plans and material specification documents
- Ordering new pumps, fittings and associated components
- Removing existing pumps and installing new pumps
- Performing operational tests

On March 6, 2025, the District, under the General Manager's authority, entered into a contract with Mechanical Analysis Repair, Inc., dba MarTech, to perform the repairs. On March 20, 2025, the Contractor placed an order for the pumps. The Contractor finalized the work plans and submittals for the work and in late May received the materials. Over the weekend beginning June 13, 2025, the Contractor removed and replaced the first set of pumps. Over the weekend beginning June 27, 2025, the Contractor removed and replaced the second set of pumps. On July 9, 2025, the Contractor completed grouting the pump support bases and on July 12, 2025, completed all work. This project is now complete.

Fiscal Impact

The construction work was completed for the agreed contract price of \$114,697.

SONOMA COUNTY TRANSPORTATION DEVELOPMENT ACCOUNT FUNDS

California provides limited financial assistance for transit operations via three funding programs: Transportation Development Account (TDA); State Transit Assistance (STA); and Low Carbon Transit Operations Program (LCTOP). In the Bay Area, the Metropolitan Transportation Commission (MTC) allocates these funds to transit agencies and county transportation authorities.

Based on long-standing agreements, the District has annually received 25 percent of Sonoma County TDA funds, while receiving no STA or LCTOP Sonoma County funds. This arrangement is fixed, regardless of service levels. It has been in place for decades, a period during which the District provided extensive bus service, connecting Sonoma County to Marin and San Francisco.

The District along with the Sonoma County Transportation Authority (SCTA) and the Sonoma County transit operators have submitted a "coordinated claim" to MTC annually reflecting this agreement.

With the advent of the pandemic, and a decline in travel from the North Bay to San Francisco, the District has greatly reduced its transit services to match declining customer demand. This is the genesis of Sonoma County transit operators' desire to revisit the funding allocation formula.

SONOMA COUNTY TRANSPORTATION DEVELOPMENT ACCOUNT FUNDS (continued)

In Marin County, the transit operators share TDA, STA and LCTOP funds based on a dynamic formula. As an operator provides more service and carries more customers, they receive relatively more money, and when ridership and service levels decline, they receive less. Staff along with Marin Transit and SMART submit a coordinated claim to MTC annually pursuant to this dynamic formula. Staff believes that such a dynamic formula is fair and consistent with public policy.

For the 2026 Sonoma County TDA, STA and LCTOP claim, staff at the agencies have agreed to submit a coordinated claim based on the Marin County dynamic model. While this will result in the District receiving less money than under the historical 25 percent allocation of TDA, it is based on a rational, fair approach. Having the same formula in both Marin and Sonoma Counties also is common sense.

The District is projected to receive \$4.8 million from Sonoma County's TDA, STA, and LCTOP funds in FY 2025/26, down from \$7.4 million of TDA in FY 2024/25. While part of this decline is due to an 11% decrease in Sonoma County's overall state transit funding, the larger driver is the Marin County dynamic allocation formula, coupled with the decline in the bus commuters from Sonoma County to San Francisco. Staff concurs with the proposed coordinated claim for 2025/26.

The approach for distributing Sonoma County TDA, STA and LCTOP funds in future years is undetermined at this time. The District is advocating that in future years Sonoma County's TDA, STA and LCTOP funds be distributed via the Marin County dynamic allocation formula, absent any arbitrary caps on regional operators.

UPDATE ON THE EFFORT TO IMPROVE THE FINANCIAL CONDITION OF THE GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN (GGTARP)

District employees participate in one of four different pension plans based on their collective bargaining agreement. Current and retired District bus operators are participants in the Golden Gate Transit Amalgamated Retirement Plan (GGTARP). GGTARP is unique in many ways, including its current funding status and its governance.

Among other things, a fiscally sound approach to pensions necessitates that a retiree's ultimate pension payments are reasonably correlated to the contributions made on behalf of the participant, taking into account the accompanying investment returns. Not surprisingly considering GGTARP's woefully underfunded status, GGTARP has not historically followed this approach. It has been and continues today to be an outlier among pension plans in its funding status, in its response to being woefully underfunded and in its governance.

For example, the trustees of other pension plans have established a strong correlation between the age at retirement and the monthly pension payment paid to a retiree. In other pension plans, a participant who retires early receives a lower monthly amount than they would receive with a regular pension. The monthly amount is reduced to account for the fact that the early retiree's payments begin earlier and are expected to be paid for a longer period. This is a fiscally sound approach. Please note, GGTARP does not do this.

UPDATE ON THE EFFORT TO IMPROVE THE FINANCIAL CONDITION OF THE GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN (GGTARP) (continued)

Fortunately, some progress has been made within the last five years, including: increased contributions, replacing the Plan professionals (e.g., the attorney and plan administrator) with firms with pension experience, replacing the investment advisor who consistently underperformed both rising and falling markets, and correlating a year of pension credit to contributions received on behalf of a participant. Then on February 15, 2024, the GGTARP Trustees voted to eliminate the spousal subsidy; however, at that meeting they did not adopt the requisite tables to implement the change.

On May 16, 2024 the GGTARP met and approved a Plan amendment that revised Table D-1 factors to finalize the elimination of the spousal subsidy. Although the Plan administrator posted a copy of the Plan amendment to the GGTARP participant website, the Plan amendment does not explain to members that the spousal subsidies were eliminated, and the Plan administrator did not provide a “plain language” summary of the Plan modifications to members. Because the Trust is not subject to the same ERISA disclosure requirements as the Taft-Hartley pensions plans covering other District employees, the GGTARP Trustees would need to direct the Plan administrator to send a written explanation of the changes and their effects to GGTARP members.

Most significantly, in negotiating the prior MOU with the ATU, the ATU and the District agreed to form a working group to prepare a “Rehabilitation Plan”. Below is the relevant language from the MOU regarding this vital task, including the underlining as it appears in the signed Tentative Agreement:

“A pension working group composed of equal number of District GGTARP Trustees, Union GGTARP Trustees and attorneys for both sides will begin meeting immediately to discuss a rehabilitation plan to address future underfunding, akin to those required of jointly-trusteed defined benefit pension plans in "endangered or critical funding status" under the Pension Protection Act. Experts will be brought in as needed for consultation and calculations of scenarios intended to bring longer term stability to the GGTARP. The District will cover the costs of any experts or consultants, and it will have the final authority to determine which expert/consultant is selected.”

The parties agreed to the working group as a means of addressing the pressing needs of the pension during the term of the MOU without having to delay wage increases for bus operators. Per the agreement, the District hired an actuary, Buck, to assist the Working Group in the development of the Rehabilitation Plan. The Working Group and Buck, collectively, “the Team”, had its kick-off meeting on February 22, 2024. The Team discussed, among other ideas, the need to look at all possible strategies (funding AND benefit cuts) which would help the Plan get back to solvency.

The Team met, and Buck (now called Gallagher after an acquisition) prepared projections for various scenarios to improve the Plan’s funded status.

After Buck/Gallagher presented the information, the District’s members pressed the working group to make decisions as to what the elements of the rehabilitation plan should be, as was the purpose of the group; however, the Union’s members refused to do so, stating that such decisions could only be made in the context of traditional collective bargaining. Thus, because the Union

UPDATE ON THE EFFORT TO IMPROVE THE FINANCIAL CONDITION OF THE GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN (GGTARP) (continued)

was unwilling to actually commit to a rehabilitation plan, in the District's view, the purpose of the working group was stymied, and no more progress could be made in that format. No more meetings of the working group have been scheduled.

The GGTARP Retirement Board was advised last November that the Plan's funded status continues to deteriorate. At the November 7, 2024 GGTARP Retirement Board meeting, the Plan's Actuary, Cheiron, presented the Plan's actuarial valuation report as of January 1, 2024.^[1] The Report is available at the web link in the footnote below.

The valuation report shows that the Plan's Unfunded Actuarial Liability, which is the excess of the Plan's Actuarial Liability over its Actuarial Value of Assets, increased from \$103.2 million on January 1, 2023 to \$105.2 million on January 1, 2024. The Plan's funded ratio decreased from 48.0% as of January 1, 2023 to 47.2% as of January 1, 2024.

Although the valuation report reflects a \$3 million decrease in benefit liability as a result of the Plan amendment to remove the spousal subsidies, it was offset by a \$4.2 million increase in benefit liability, which primarily resulted from covered employees' salaries being significantly higher than expected.

The following excerpt is from the GGTARP investment performance report presented to the GGTARP Retirement Board for the period ending December 31, 2024, which shows that the Plan's investment returns have consistently underperformed against the benchmark.

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Plan	82,771,622	100.0	0.6	0.6	5.5	3.4	9.1	5.2
<i>Policy Index</i>			<i>0.0</i>	<i>0.0</i>	<i>5.0</i>	<i>3.1</i>	<i>8.6</i>	<i>6.2</i>

The GGTARP's 10-year return of 5.2% as of March 31, 2025 is notably lower than the preliminary 10-year return of 7.39% reported by the District's OPEB Investment Advisor (which the GGTARP Board could have hired). For a Plan with \$100 million in assets, a 2.19% lower return over a 10-year period equals approximately \$24 million in lost investment earnings.

^[1] GGTARP Actuarial Valuation as of January 1, 2024, can be found on pages 30-80: https://www.goldengate.org/assets/1/14/ggtarp_meeting_no_202_packet_11.07.2024.pdf?12003

UPDATE ON THE EFFORT TO IMPROVE THE FINANCIAL CONDITION OF THE GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN (GGTARP) (continued)

Although GGTARP's current investment advisor has performed much better, the Plan is still recovering from years of poor performance from the earlier subpar investment advisor.

Over the years the District Trustees have advocated for numerous changes to improve the financial condition of GGTARP. However, the GGTARP governance process has stymied many of these efforts, including the hiring of the prior subpar investment advisor. The governance process that led to GGTARP's decision to hire and stay with a subpar investment advisor longer than they should have (earning about \$24 million less over 10 years), highlights the need for governance changes as part of efforts to provide long term solvency for our bus operators' pensions.

UPDATE DISTRICT STRATEGIC PLANNING EFFORT

On May 24, 2024, the Board adopted the 2024 Strategic Plan. The Strategic Plan contains 39 initiatives that are focused on achieving the Board's goals and as such, also serves as a work plan for staff.

In June the District continued to make progress on *Initiative 3, 8, 9, 10, 11, 13, 15, 19 and 29*.

DISTRICT FULL-TIME EMPLOYEE SEPARATIONS APRIL 1, 2025 – JUNE 30, 2025

Between April 1, 2025, and June 30, 2025, the District processed 4 full-time employee separations, exclusive of retirement, termination, death, and casual/temporary assignment. This represents about .61% percent of the District's typical workforce. Out of the 4 full-time employee separations, 3 employee resignations were due to new employment (approximately .46% of our workforce).

The Human Resources Department reviewed the separation document of the employee who resigned as a result of new employment, and the following chart depicts the impact by division:

Division	Total Resignations Due to New Employment	Moving to Other Governmental or Transit Agency	Moving to Non-Governmental Business	Did Not Disclose
Bridge	2	2	0	0
Bus	0	0	0	0
Ferry	1	1	0	0
District	0	0	0	0
TOTAL	3	3	0	0

PRESENTATIONS BY DISTRICT STAFF FOR THE MONTH OF JUNE

District staff made the following speeches and/or presentations:

PRESENTATION TO:	DATE:	PRESENTED BY:
IBTTA 2025 Communications, HR & Legal Workshop	June 3, 2025	Deputy General Manager, Bridge Division, David Rivera
Barcelona Students, Dominican University	June 11, 2025	Bridge Captain Roger Elauria, Paint Superintendent Fred Mixon, Electrical Superintendent Jamie Briggs, Facilities and Equipment Maintenance Superintendent Antoine Davenport and Ironworker Superintendent Nicky Carrillo
Barcelona Students, Dominican University	June 18, 2025	Paint Superintendent Fred Mixon, Electrical Superintendent Jamie Briggs, Facilities and Equipment Maintenance Superintendent Antoine Davenport and Ironworker Superintendent Nicky Carrillo

SPECIAL EVENT/EXPRESSIVE ACTIVITY REQUESTS

Below are the dates and sponsoring agencies of special events and expressive activities which have been permitted in July and August:

Event Date	Event Title	Location	Type*	Expected No. Participants
July 27, 2025	The San Francisco Marathon	GGB East and West Sidewalk & Upper South-West Lot.	SE	4,000 – 5,000
August 24, 2025	The Citizens Foundation SF Bay Area Chapter (TCF) Walk/Run for Education	East Sidewalk	SE	75 - 200

*Permit Types: EX-ACT – Expressive Activity and SE – Special Event

VEHICLE TRAFFIC INCIDENTS FOR THE MONTH OF JUNE

For the month of June, there were the following vehicle traffic incidents to report:

Vehicle Traffic Incident	Vehicles	Injuries	Fatalities	Location
HB – Hit Barrier	1	0	0	Plaza
HB – Hit Barrier	1	0	0	Other
RE – Rear Ender	3	0	0	Bridge
RO –Roll-Over	3	0	0	Waldo
HB – Hit Barrier	1	1	0	Doyle
HB – Hit Barrier	1	0	0	Plaza
RO –Roll-Over	1	1	0	Waldo
HB – Hit Barrier	1	0	0	Plaza
TOTAL	12	2	0	

BICYCLE INCIDENTS FOR THE MONTH OF JUNE

For the month of June, there were the following bicycle incidents to report:

Bicycle Incidents	Bicycles	Injuries	Fatalities	Location
BB – Bicycle/Bicycle	2	2	0	Bridge
TOTAL	2	2	0	

FERRY BICYCLE COUNTS THROUGH THE MONTH OF JUNE

Ferry Bicycle Counts through the month of June are as follows:

Larkspur Southbound Bicycle Counts	
2020 Annual Total	7,422
2021 Annual Total	4,716
2022 Annual Total	13,312
2023 Annual Total	15,453
2024 Annual Total	20,086
January – June	11,294

*The Larkspur June bicycle count was 2,178

FERRY BICYCLE COUNTS THROUGH THE MONTH OF JUNE (continued)

Sausalito Southbound Bicycle Counts	
2020 Annual Total	9,415
2021 Annual Total	8,845
2022 Annual Total	64,952
2023 Annual Total	64,852
2024 Annual Total	53,128
January - June	16,114

*The Sausalito June bicycle count was 2,928

Tiburon Southbound Bicycle Counts	
2022 Annual Total	9,204
2023 Annual Total	9,481
2024 Annual Total	8,993
January – June	3,011

*The Tiburon June bicycle count was 521

Angel Island Northbound Ferry Bicycle Counts	
2021 (December service start) Annual Total	39
2022 Annual Total	4,807
2023 Annual Total	4,556
2024 Annual Total	3,712
January – June	1,712

*The Angel Island June bicycle count was 462

RETIREMENT OF MESFIN ABEBE, BUS OPERATOR, BUS DIVISION

It is my privilege to announce that Bus Operator Mesfin Abebe retired after twenty-four years, 7 months and 28 days of service with the District on July 1, 2025.

Mr. Abebe joined the District as a full time Bus Operator on November 3, 2000. Prior to District service, Mr. Abebe was a bus driver.

In his free time, Mr. Abebe enjoys the sport of ping-pong.

We wish Mr. Abebe a long and happy retirement.

EMPLOYEE OF THE MONTH – JULY 2025

After reviewing nominations submitted by District employees the Employee of the Month Committee selected Senior Civil Engineer Rameses Johnson in the District Division as the Employee of the Month for July 2025.

Mr. Johnson is recognized for his hard work, professional collaboration, and dedication to the projects he works on. Specifically, he has made himself available when needed, to share information about the Suicide Deterrent System Project (SDS). In December 2024, Mr. Johnson went above and beyond for the District's Finance Department that was hosting an important meeting with guests in from Standard & Poor Global Ratings: US Public Finance Office New York. They requested a tour on the Bridge sidewalk of the SDS Project, and Mr. Johnson jumped in to assist. The finance department commented that Mr. Johnson was very communicative, courteous, and helpful. It was a rainy morning, and he met the group early and was very flexible when the plans changed due to the inclement weather. Mr. Johnson went the extra mile by securing a few rain ponchos for the guests. He was extremely pleasant (despite the pouring rain) while sharing his knowledge of the Bridge and the SDS Project. The S&P representatives were very impressed with the project information shared during the tour as well as being appreciative of Mr. Johnson's time and efforts.

Of special note, with the final section of the Suicide Deterrent Net System Project nearing its completion, Mr. Johnson's colleagues wish to relay that he has tirelessly climbed up and down the Bridge in all weather conditions -- wind, rain, and sun -- for years, overseeing the installation of thousands of feet of net. His commitment and hard work have been instrumental in the success of this project which will protect the public for many generations. His efforts will stand as a lasting testament to the District's values!

Mr. Johnson joined the District on January 21, 2014, in his current position of Senior Civil Engineer. Prior to joining the District, Mr. Johnson was a Field Engineer, Electric Distribution for PG&E, and prior to that a Bridge Design Engineer, P.E. at Sastry & Associates, and before that a Design Engineer, E.I.T. at Delon Hampton & Associates.

Mr. Johnson was born in San Francisco, CA where he attended High School, going on to attend Morehouse College/Georgia Tech in Atlanta Georgia, receiving a General Science/Civil and Environmental Engineering Degree. Mr. Johnson has been a resident of Hercules, CA since 2025, and is newly engaged. In his spare time, he enjoys spending time with family, reading, cooking, traveling, live music and the occasional sideshow.

Denis J. Mulligan
General Manager

DJM:jb

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